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DOMINION OF CANADA

OFFICIAL REPORT OF

DEBATES

HOUSE OF COMMONS

FIFTH SESSION—TWENTIETH PARLIAMENT

13 GEORGE VI, 1949

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CANADA

House of Commons Debates

OFFICIAL REPORT

Speaker: The Honourable Gaspard Fauteux

Wednesday, January 26, 1949

FIFTH SESSION—TWENTIETH PARLIAMENT—OPENING

The parliament which had been prorogued on the thirtieth day of June, 1948, met this day at Ottawa, for the dispatch of business.

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

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

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

Mr. Speaker, His Excellency the Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly the house went up to the Senate chamber.

And the house having returned to the Commons chamber:

VACANCIES

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

Of Joseph Romeo Liguori Lacombe, Esquire, member for the electoral district of Laval-Two Mountains, by resignation.

Of Thomas Farquhar, Esquire, member for the electoral district of Algoma East, consequent upon his being summoned to the Senate.

Of Lucien Dubois, Esquire, member for the electoral district of Nicolet-Yamaska, by decease.

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

I have the honour to inform the house that during the recess communications have been received from members informing the chief electoral officer, in accordance with chapter 145, section 7 of the Revised Statutes of Canada, 1927, that the following vacancies have occurred in the representation, viz:

Of Right Honourable James Lorimer Ilsley, member for the electoral district of Digby-Annapolis-Kings, by resignation.

Of G. Russell Boucher, Esquire, member for the electoral district of Carleton, by resignation.

Of Honourable James Allison Glen, member for the electoral district of Marquette, by resignation.

Accordingly new writs of election were issued for the said electoral districts, respectively.

NEW MEMBERS

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

Of Honourable Lester Bowles Pearson, for the electoral district of Algoma East.

Of Honourable Stuart Sinclair Garson, for the electoral district of Marquette.

Of William Albert Boucher, Esquire, for the electoral district of Rosthern.

Of George Clyde Nowlan, Esquire, for the electoral district of Digby-Annapolis-Kings.

Of George Alexander Drew, Esquire, for the electoral district of Carleton.

Of Leopold Demers, Esquire, for the electoral district of Laval-Two Mountains.

NEW MEMBERS INTRODUCED

Hon. Lester Bowles Pearson, member for the electoral district of Algoma East, introduced by Right Hon. L. S. St. Laurent and Right Hon. C. D. Howe.

Speech from the Throne

William Albert Boucher, Esquire, member for the electoral district of Rosthern, introduced by Right Hon. L. S. St. Laurent and Right Hon. J. G. Gardiner.

Hon. Stuart Sinclair Garson, member for the electoral district of Marquette, introduced by Right Hon. L. S. St. Laurent and Mr. W. G. Weir.

Leopold Demers, Esquire, member for the electoral district of Laval-Two Mountains, introduced by Right Hon. L. S. St. Laurent and Hon. Joseph Jean.

George Alexander Drew, Esquire, member for the electoral district of Carleton, introduced by Mr. John Bracken and Hon. W. Earl Rowe.

George Clyde Nowlan, Esquire, member for the electoral district of Digby-Annapolis-Kings, introduced by Mr. George A. Drew and Mr. P. C. Black (Cumberland).

OATHS OF OFFICE

Right Hon. L. S. St. Laurent (Prime Minister) moved for leave to introduce Bill No. 1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

GOVERNOR GENERAL'S SPEECH

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

SPEECH FROM THE THRONE

Honourable Members of the Senate:

Members of the House of Commons:

The first concern of government in world affairs is to ensure peace and security. To this end, Canada continues to support the principles of the united nations charter. Our foreign policy is based on the realities and dangers of the existing situation. One of these is the communist menace. Until the united nations are able to provide an adequate guarantee of peace and security, peace-loving nations will also be obliged to seek security by combining their strength. The North Atlantic nations, including Canada, are negotiating a security pact. The treaty when concluded will be laid before you for approval. The North Atlantic treaty will supplement the treaty of mutual guarantee signed by the western European nations at Brussels last year. Such regional arrangements are provided for in the united nations charter.

Despite unsettled conditions and the disruptive activities of international communism, the nations of western Europe are making progress toward recovery. Aid from North America is contributing substantially to the restoration of economic activity, thereby increasing their ability to resist internal and external aggression.

At home we have been blessed with good crops. Industrial expansion is taking place at an unprecedented rate. There have been few differences between employers and employees leading to stoppages in work. Inflationary pressures are less pronounced. Employment is at higher levels than ever before. In striking contrast with communist countries, the free economy of our country is demonstrating its ability to provide for all a high standard of living, social justice and individual freedom. It is the view of my ministers that a steady advance toward the goal of social justice for all is an effective safeguard against the influence of subversive doctrines.

The people of Newfoundland, by a majority vote in a referendum, expressed their desire to enter confederation. The precise terms of union were subsequently negotiated with an authorized delegation from Newfoundland. You will be asked without delay to approve the agreement, signed on December 11, and to make provision for the entry of Newfoundland as a province of Canada on March 31. I am confident the union will be of mutual advantage to Newfoundland and Canada.

Amendments to the Supreme Court Act to make the Supreme Court of Canada the court of last resort for Canada will be submitted for your consideration.

You will be asked to approve, subject to the approval of the United States authorities, the agreement concluded in 1941 for the development of navigation and power in the Great Lakes-St. Lawrence basin.

You will be asked to make the further legislative provision necessary to implement the agreements for the sale of agricultural products to the United Kingdom.

With a view to assisting in the restoration of world trade, so vital to general security and our own prosperity, Canada participated in formulating the charter for the international trade organization and the general agreement on tariffs and trade, which will be submitted for your approval. Within the next few months Canada will engage in further negotiations with thirteen other countries to broaden the scope of the tariff concessions which we obtained at Geneva in 1947. The government will continue to press vigorously for the lowering of tariff and other barriers and, as quickly as possible, the expansion of trade on a multilateral basis.

Meanwhile the government is seeking to remove specific obstacles to the continued sales of Canadian products in our traditional export markets, and to that end is co-operating closely with the nations concerned in the implementation of the European recovery program.

The continuing committee established by the governments of Canada and the United Kingdom to review the progress of trade between the two countries is presently meeting in London.

In the interests of both domestic and foreign trade, legislation will be introduced with the object of promoting extensive and adequately safeguarded use of the national trade mark "Canada Standard" associated with goods which conform to prescribed standards, and of requiring proper labelling of goods to prevent deception of the public.

Improvement in our United States dollar position has resulted in the removal of certain restrictions imposed in November, 1947. Further restrictions will be removed as the position improves. So long as trading and financial conditions remain unstable, a degree of control over foreign exchange will be

required. You will, accordingly, be asked to extend the Foreign Exchange Control Act for a further period.

The report of the royal commission on prices will be laid before you as soon as it has been submitted to the government.

Your approval will also be sought for legislation to continue in force steel control and a limited number of price controls, including control over the rental of housing accommodation.

You will be asked to make legislative provision for governmental assistance by loan to the producers of basic steel for the purpose of increasing production.

The governments of the provinces have been advised that the federal government is prepared to discontinue rent control in any province in which the government expresses the desire to assume the jurisdiction.

The provision of housing has received and continues to receive close attention. More new housing units were provided during the last calendar year than ever before.

Your approval will be sought for the establishment of a department of reconstruction and development to continue the functions now vested in the Department of Reconstruction and Supply, including the ministerial responsibility for the Central Mortgage and Housing Corporation.

A measure for assistance in the provision of a transcontinental highway will also be laid before you.

A royal commission has been appointed to inquire into and report upon all questions of economic policy within the jurisdiction of parliament arising out of the operation and maintenance of national transportation. Together with the findings of the investigation by the board of transport commissioners, the report of the royal commission should furnish parliament and the government with the basis for a sound transportation policy.

The national health program, inaugurated by the government last year, is receiving co-operation from all the provinces. In supplementing provincial health measures, the program has already made a contribution to the health facilities of Canada and will thereby bring increasing benefit to our people.

A bill will be introduced to broaden the scope of the Family Allowances Act, as a further instalment of the policy of the government to provide a national standard of social security and human welfare designed to assure the greatest possible measure of social justice for all Canadians.

The organization of the armed forces to provide for unification and co-ordination has been pressed forward. Steady progress has been made in the recruitment and training of officers and men of the active and reserve forces, so that the navy, army and air force may be in a position to meet the defence needs of Canada as these may change from time to time.

Conditions of service in the armed forces are being further improved, and as rapidly as the results of research can be adequately tested, additional equipment is being made available. Amendments to existing legislation with respect to the armed forces will be recommended for your consideration.

Other measures to which your attention will be directed include bills respecting forest conservation, overseas telecommunications, the control and regulation of interprovincial and international pipe lines, and assistance for the Canadian shipbuilding industry. Your approval will be sought for measures to amend the Industrial Development Bank Act, the Emergency Gold Mining Assistance Act and the Prairie Farm Assistance Act.

It is the view of my ministers that there should be an examination of the activities of agencies of the federal government relating to radio, films, television, the encouragement of arts and sciences, research, the preservation of our national records, a national library, museums, exhibitions, relations in these fields with international organizations, and activities generally which are designed to enrich our national life, and to increase our own consciousness of our national heritage and knowledge of Canada abroad. For this purpose, the government intends at an early date to establish a royal commission.

Members of the House of Commons:

You will be asked to make the customary provision for essential services.

Prosperous conditions now prevailing are being reflected in the buoyant level of national revenues; a condition to which due consideration is being given by my ministers in the preparation of forthcoming budgetary proposals.

Honourable Members of the Senate:

Members of the House of Commons:

The birth of a son to Their Royal Highnesses Princess Elizabeth and the Duke of Edinburgh has been the occasion of widespread rejoicing. Happiness over the birth of the Royal Prince has been tempered by regret over the indisposition of His Majesty the King. The people of Canada hope and pray for the complete recovery of the King's health.

Since the close of your last session, Mr. Mackenzie King has retired as Prime Minister. I feel it is the hope of all Canadians that Mr. King will be spared, over a long period and with less exacting responsibilities, to continue his distinguished and devoted service to Canada and the free world.

May Divine Providence bless your deliberations.

THE MINISTRY

RETIREMENT OF MR. MACKENZIE KING AS PRIME MINISTER—PARLIAMENTARY ASSISTANTS

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, this opening day of the fifth session of the twentieth parliament is one of rather more than usual significance. Since the last session of parliament, the right hon. the member for Glengarry (Mr. Mackenzie King) has retired as Prime Minister of Canada. For over twenty-one years he was the king's first minister in Ottawa. For a longer period than any other man he has been the elected head of a free people. For twenty-nine years he was the leader of one of our great national political parties, a party which, under his leadership, constantly remained national both in its policies and in its membership. Before that, Mr. King was successively a distinguished member of the Canadian civil service, a member of parliament, and, in the ministry of Sir Wilfrid Laurier, Canada's first minister of labour.

The record of his public service to Canada, to the British commonwealth and to the free world is indeed an enviable one. He has played an unrivalled part in the forward

march of Canada since the very beginning of this century. I think all will agree that his services make him one of the great Canadians of all time. The right hon. gentleman has been closely associated with so many matters of consequence to our country and to the world that it would take a good long book to set out his record of achievements. Nevertheless for just a moment I should like to mention three or four highlights of this remarkable career.

When we in Canada think of labour relations or the settlement of industrial disputes, we are reminded of the large part played by Mr. King in the drafting of the first labour legislation in Canada. In the field of social security his efforts will not be forgotten. Virtually every measure of social legislation on the federal statute books was put there under his leadership. During the grim years of war Mr. King was at the head of the government of a country whose war effort was magnificent. In war and peace he strove to bring the Canadian people to work together in unity; and while he was Prime Minister, Canada can be said to have reached full nationhood. Mr. King's life has been devoted to public affairs. He has spent his days and years in the promotion of peace and good will in domestic and in international relations. I think all hon. members will agree that there is no higher calling, no calling more worthy of the encomiums of a man's fellow citizens.

Now because of the hon. gentleman's many years of service and because of the stresses and strains brought about by the war he has felt it necessary to retire from the leadership of his party and the office of Prime Minister. We know it cannot but be distressing to Mr. King to give up so active a life. On the other hand I am sure his new freedom and relaxation will give him considerable enjoyment. While we regret that Mr. King will be taking a less active part in public affairs, I think all hon. members of the house will be glad that he is still with us in this company of the elected representatives of the Canadian people. I feel I am expressing the feelings not only of the members of this party but of members on all sides of the house and of Canadians everywhere when I say to the right hon. gentleman that we wish him health and happiness. We hope he will be spared to continue, under less arduous conditions, his many years of distinguished and devoted service to Canada and to the free world.

(*Translation*):

Mr. Speaker, I do not propose to repeat in French what I have just said in English about the hon. member for Glengarry (Mr. Mackenzie King); however, I do wish to state that in speaking those words in English I am none the less expressing the sincere feelings of hon. members whose mother tongue is French.

[Mr. St. Laurent.]

(*Text*):

Mr. Speaker, since the end of last session there have been the following changes in the ministry:

On September 10 I resigned the portfolio of Secretary of State for External Affairs, and on the same date Hon. L. B. Pearson was appointed to that department. On November 15 Right Hon. W. L. Mackenzie King resigned as Prime Minister and President of the Privy Council of Canada. I resigned as Minister of Justice and was appointed to the office of President of the Privy Council of Canada. Right Hon. C. D. Howe resigned as Minister of Reconstruction and Supply on November 15, 1948, and on the same date Hon. Robert H. Winters was appointed to that portfolio. On the same date Hon. Stuart S. Garson was appointed to the Department of Justice.

I now table the relevant orders in council passed in connection with those appointments.

There have been some changes also in the posts of parliamentary assistants. On November 15 Mr. W. E. Harris resigned as parliamentary assistant to the Secretary of State for External Affairs and on the same date was appointed parliamentary assistant to the Prime Minister and President of the Privy Council. Mr. McIlraith, member for Ottawa West, resigned as parliamentary assistant to the Minister of Reconstruction and Supply, retaining the post of parliamentary assistant to the Minister of Trade and Commerce. Mr. Robert H. Winters, as he then was, resigned as parliamentary assistant to the Minister of Transport. On January 19 Mr. Hugues Lapointe, the hon. member for Lotbiniere, resigned as parliamentary assistant to the Minister of National Defence, and on the same date was appointed parliamentary assistant to the Secretary of State for External Affairs. On January 19 Mr. J. A. Blanchette was appointed parliamentary assistant to the Minister of National Defence, as was also Mr. L. E. Baker, the hon. member for Shelburne-Yarmouth-Clare. On the same date Mr. James Sinclair, the member for Vancouver North, was appointed parliamentary assistant to the Minister of Finance. On January 25 Mr. Ralph Maybank, the member for Winnipeg South Centre, resigned as parliamentary assistant to the Minister of National Health and Welfare and was appointed parliamentary assistant to the Minister of Mines and Resources. Mr. Thomas Reid, member for New Westminster, resigned as parliamentary assistant to the Minister of National Revenue and was appointed parliamentary assistant to the Minister of National Health and Welfare.

I now table the orders in council relevant to the appointments I have just mentioned.

CHANGES IN MEMBERSHIP

RETIREMENT OF MR. BRACKEN AS LEADER OF THE OPPOSITION—WELCOME TO NEW MEMBERS —THE LATE LUCIEN DUBOIS

Right Hon. L. S. St. Laurent (Prime Minister): Since the last session of parliament there have been changes not only on this side of the house but some rather important changes on the other side as well. We were all chagrined to learn some months ago that the health of the hon. member for Neepawa (Mr. Bracken) had become impaired and that he had decided it was necessary to relinquish the arduous duties of leader of the opposition, and what were perhaps for him the still more arduous duties of leader of his party. The hon. member has had a long and distinguished career in public life. Unless I am mistaken as to the exact details, he was for twenty years premier of Manitoba before being selected as leader of the party which under his leadership chose to call itself the Progressive Conservative party. Already he had made great contributions to the agricultural life of western Canada, and thereby to the welfare of the whole of Canada.

I am sure it will not surprise him if I say here today that when he accepted the leadership of the Conservative party many of us who knew of and admired his previous career had some misgivings about the company in which he was going to find himself.

Mr. Graydon: Page Mike Pearson.

Mr. St. Laurent: Well, of course, the Secretary of State for External Affairs (Mr. Pearson) is still young, but I think he believes he finds himself in pretty good company; and it so happens that a great many people in this country share the same belief.

Obviously the hon. member for Neepawa had some slight misgivings himself, because at that time we understood he had insisted upon the members of that party calling themselves Progressive Conservatives; but in spite of their willingness to call themselves anything he chose, we felt he would be tackling a hopeless task if he were to attempt to make them over into the kind of broad-visioned, common-man Progressive he had shown himself to be during the years of his administration in the province of Manitoba. The fact that he has found it could not be done does not detract in the slightest degree from our admiration of his venturesome courage.

Tributes to Members

During the time the hon. gentleman has been in this house he has discharged his task faithfully and in the best traditions of parliament. Naturally those on this side have differed with him on a good many things, but there has been no acrimony. Our relations with him have always been most cordial. We admire him for what he has done; we regret that his health has become impaired, and we sincerely hope that it will be rapidly restored. We cannot be expected to wish him success at the polls at the next election, but we do wish him good health and happiness in the future.

Now may I extend most cordial greetings to the hon. member for Carleton (Mr. Drew) upon having entered this chamber. I think it fair to say that most members of the house welcome him here today, and we congratulate him upon the confidence his party has placed in him.

The position of leader of the opposition is a very high and honourable one. It requires a rare combination of qualities, a knowledge of public affairs and the ability to criticize firmly and boldly on proper occasions, but also the ability to discriminate between proper occasions and times when mere wordy outpourings would be anything but constructive. It also requires an acquaintance with parliamentary procedure and the desire to co-operate in the conduct of public affairs.

The hon. member for Carleton has great natural endowments, and he has had the training and experience necessary to provide one with a proper grasp of public affairs. I am sure that he and I will, on many occasions, disagree. We shall probably, however, be able to co-operate in maintaining and upholding the constitutional traditions and customs of parliament which experience has shown to be the best safeguards of truly democratic institutions.

I also wish to say a word of welcome to the other hon. members who have been presented this day to the Speaker. I am sure they will find that in joining this company they have entered into a field in which there is an opportunity to be of real service to Canada and Canadians, perhaps not only to the Canada and Canadians of our generation but also to the Canada and Canadians of generations to come.

(*Translation*):

I take pleasure in welcoming two new French-speaking Liberal members, Mr. W. A. Boucher, representing Rosthern, and Mr. Leopold Demers, member for Laval-Two Mountains.

Some hon. Members: Hear, hear!

(Text):

Mr. St. Laurent: It is a pleasure to welcome the new member for Digby-Annapolis-Kings (Mr. Nowlan). He was not the choice of our party, but as we are a democratic people, we are pleased to congratulate him on his recent victory. As a lawyer and a public-spirited citizen, he will make a contribution that will be of value to all Canadians.

(Translation):

Some hon. Members: Hear, hear!

Mr. Boucher's long experience in public affairs as well as in business marks him out as the logical successor to Mr. Tucker, now the Liberal leader in Saskatchewan.

As for the member for Laval-Two Mountains, we are all proud and happy to see him here among us as a colleague in this house. Mr. Demers is a prominent business man and agronomist whose knowledge will mean further help to us in solving the many problems that face parliament at every session. Now at the opening of each session, while rejoicing over happy events, we must also recall some occasions of bereavement. Since the last session of parliament we lost a fellow member in Mr. Lucien Dubois, member for Nicolet-Yamaska, who, you will recall, had been in poor health for some years. Mr. Dubois was born at Gentilly in the province of Quebec fifty-five years ago. Though a farmer, he took an interest in municipal matters and was for several years secretary of the municipality of Gentilly. He was also secretary of the school board in the same community. He was particularly concerned with social problems. In fact he was a bachelor and followed, I believe, the example of the hon. member for Glengarry (Mr. Mackenzie King). He took as active an interest in social matters as those of us who have large families. Mr. Dubois was associated with the Historical Society of Montreal and the French-Canadian Genealogical Society. He sat in this house for eighteen years, having first been elected in 1930. The services which he rendered to his country during all those years, by his contribution to the debates of the house, are well known to all.

Lastly, he was a modest man, but as a member he attended the sittings of the house as regularly as his ailing health permitted. I know that in expressing our deepest sympathy to Mr. Dubois' father, brothers and sisters, I give voice to the feelings of every hon. member.

(Text):

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, in rising for the first time as a member of this house, may I pick up the remarks of the right hon. the Prime Minister where he left off and join in the expression of regret at the untimely death of Mr. Dubois. One of the members of our party, the hon. member for Stanstead (Mr. Hackett), who knew him personally, will make some remarks in regard to him. I can only say, from the conversations I have had with those who knew him well, that he was highly regarded by all the members of the house, and that we share in the deep feeling of regret at his untimely loss.

I wish sincerely to congratulate the Prime Minister (Mr. St. Laurent) on his assumption of the high and responsible office to which he has been called. In the conduct of the affairs of government during the time that he has that responsibility I extend to him my best wishes for his good health and for the strength to carry on the arduous duties which fall to his lot. I wish also to thank him for the remarks he made about my own entry into this house. This is, of course, a different arena to that in which I have been for some time past. I thank the Prime Minister for his advice as to the duties of a leader of the opposition. There is one thing, however, that perhaps might be borne in mind, namely, that the rules of the provincial legislature and those of the House of Commons are quite similar, and that I had some years' experience as leader of the opposition in the Ontario legislature. Perhaps because of that fact, together with the fact that I saw changes take place, I have not the same feeling of permanence that may occupy the minds of some people. However, I know that the general summary of the responsibilities of the leader of the opposition was well put forward, in spite of the fact that the Prime Minister had not had the opportunity of sharing my experience. I hope that I shall be able to conduct myself in this office along the lines that have been suggested.

I wish to join in the felicitations which have been extended to the new members who have entered this house today, as I have. I wish to join in the remarks that have been made about the right hon. member for Glengarry (Mr. King) in regard to his return to good health. I know that I share with everyone here the feeling of satisfaction at seeing him present and in good health today, and I hope that condition continues. To each of the new members who have assumed their responsibilities, some of them almost as recently as I myself, I can only say that I wish them well in the tasks they have undertaken. In the conduct of the affairs of parliament under our system, it will be my duty to co-operate on such occasions as co-operation is indicated, and, on those occasions on which it is not

indicated, to put forward before the house the point of view which would seem to me to advance the best interests of the country.

Naturally I wish to express particular pleasure at the entry into the house today of the hon. member for Digby-Annapolis-Kings (Mr. Nowlan). He is a great addition to the House of Commons. The marked confidence displayed by those who know him well in his constituency where the vote was taken was a great personal tribute, a recognition of his abilities, and I think it sufficiently indicates what may be expected of him here in the House of Commons.

Before I close these brief remarks may I say that I wish to pay great tribute to my friend the hon. member for Neepawa (Mr. Bracken) and to express the satisfaction I feel in the knowledge that he will be sitting here beside me in the house so that I may have the advantage not only of his friendship and advice but of his long years of training which have been referred to by the Prime Minister in his opening remarks. Mr. Bracken served his province extremely well for the longest period that any premier has occupied that office in any province of Canada.

Some hon. Members: No.

Mr. Drew: If I am wrong, I shall be happy to be corrected.

An hon. Member: Murray of Nova Scotia.

Mr. Drew: I am informed that there was an exception in earlier years in Nova Scotia, where there are great traditions of good government. I am happy to be informed of that fact, but it in no way lessens the great period of responsibility and good service which stands to the credit of the hon. member for Neepawa (Mr. Bracken) before he entered this house.

From my understanding of the procedure in the assembly in which I have sat, which procedure I believe is similar to that here, it is not appropriate to make a political speech on the opening day and I do not intend to do so in any way. I simply wish to say that, in assuming the high office he occupied, his whole record in everything he has done indicates that he filled it with a sense of dignity, and with eminence.

I wish again to express to the Prime Minister my appreciation of his welcome to me here, and to express the hope that in the high office for which I have been chosen I may advance the interests of this house and of the country.

Mr. M. J. Coldwell (Rosetown-Biggar): Like the hon. leader of the opposition (Mr. Drew), Mr. Speaker, I should like to begin by expressing on behalf of the party with which I am associated a tribute to the late Mr. Dubois. We found him to be a kindly gentleman whom we liked and admired. The house is poorer because he has left us. I would also join with the Prime Minister in the tribute which he paid to the former Prime Minister of Canada and to say that we too rejoice to see him here today. We hope that he may be spared many years in which to enjoy health, strength and vigour and in which, if I may suggest it once again, to write those memoirs of his long experience as leader of the government of Canada.

I also want to congratulate the Prime Minister upon his accession to office. Those of us who have been associated with him in various activities over the last few years admire his ability. We trust his integrity. As one who was associated with him at two international conferences I wish to say that while I disagree with some policies and principles of the party that he now leads, and shall disagree on occasion with the measures proposed by the government, I believe that the Liberal party of Canada, in choosing the right hon. gentleman as its leader and in elevating him to the office of Prime Minister, not only did something for the country but honoured itself.

I want also to welcome the leader of the opposition (Mr. Drew). I believe that in the twelve years that I have been here the hon. gentleman is the seventh leader of the party and the sixth leader of the opposition. All of them with whom we have been associated in this house have won our esteem and respect for their courtesy, their ability and their integrity, and I hope and I trust that the hon. gentleman who has taken his place here today will have the same kindly feeling from us that his predecessors had.

I also wish to join with those who have paid a tribute to the hon. member for Neepawa (Mr. Bracken). The hon. gentleman served western Canada for many years. We knew him there as one of the leaders of the old Progressive movement, a movement which was organized by the farmers in a time of stress. He held high office in his province before he came to this house. I can assure him of this, that as far as this party with which I am associated is concerned, we have the most kindly feeling for him, and we hope that he will be spared a good many years in health and strength.

To all the other hon. gentlemen who have been promoted to various positions, to those who have come among us today and who occupy positions of trust and of responsibility, both in the cabinet and as assistants to the ministers, we say welcome and we wish them well.

Tributes to Members

I hope, Mr. Speaker, that this fifth session of the twentieth parliament will be productive of beneficial legislation and great good for our own country and that we may indeed make a contribution to world peace and concord.

Mr. Solon E. Low (Peace River): It is not my intention nor desire to multiply words, but I do want to associate myself and the group which I represent with the expressions of congratulations to all of those hon. members who have been promoted to the high offices that they now occupy on the other side. To the new members who have come into the house we express our welcome and our sincere desire that they have the finest possible experience here. May they feel when their work is finished in this house that they have been able to make a contribution to the welfare of this great dominion.

I wish to associate myself with the tribute by the Prime Minister (Mr. St. Laurent) to the hon. member for Glengarry (Mr. Mackenzie King). I too wish him long life, happiness and health. I could not help noting, Mr. Speaker, that on this first day of this new session the hon. member has chosen to come down into this section of the house, a good section. The next step up from little Chicago would be over here, and on the basis of the hon. member for Glengarry's speech in Prince Albert in 1935 I would expect that the next move would be right into the Social Credit ranks.

I compliment the Prime Minister on his elevation to the high office that he now occupies, and I assure him that our best wishes go out to him in his efforts to conduct the business of this house and of this country.

We also wish to join in expressing to the leader of the opposition welcome to this house. We hope that our relationships with him, and with all new members who have come into the house, will be as pleasant as our relationships were with his predecessor. I have always had the pleasantest personal relationships, and also relationships in this house, with the former leader, and I want to join with the other speakers in expressing my hope that the hon. member for Neepawa (Mr. Bracken) will continue in his improved good health and will enjoy long life and happiness.

In conclusion may I join with all those who have expressed their regret at the passing of Mr. Dubois. It is always a matter of regret when any one of our members passes away suddenly. We miss them. Our sympathy goes out to the bereaved ones and to all the members of the Liberal party who have lost a faithful colleague.

(*Translation*):

Mr. John T. Hackett (Stanstead): Mr. Speaker, on behalf of the Progressive Conservative party I would like to say a few words of regret on the occasion of the death of a friend and a colleague in the person of Mr. Dubois. Mr. Dubois represented a very prominent constituency, an almost historical constituency, a constituency which sent here men like Gaudet Méthot, and even one of your most illustrious predecessors, the Hon. Rodolphe Lemieux, for years a Speaker of this house. He too represented the Nicolet-Yamaska constituency. That constituency also numbered among its representatives a man of the highest abilities, the lamented and brilliant Paul-Émile Lamarche, who also died young, and one of the most eminent magistrates, one whose fame has spread abroad, Mr. Justice Trahan.

Mr. Dubois was first elected to the House of Commons nearly twenty years ago, at the same time I was. We did not belong to the same party but we shared the same interests. He represented an agricultural population and was particularly interested in the dairy industry. We thus became friends, as the electoral district which I represent has similar interests. He had a quite remarkable personality; he was meek and had qualities which enabled him to get elected in spite of the efforts of the two old recognized parties in this country. Unless I am mistaken, in the last general election he ran as an Independent candidate, as he did in the general election of 1940, and the loyalty of his friends and the services he had rendered to his electors assured his victory on several occasions. May I therefore lay a wreath on his recently-closed grave, a wreath scented with remembrances of loyalty, friendship, sincerity and modesty. Mr. Dubois was a farmer and, as was said, more than a farmer; he was an author, a historian and he dedicated himself to the relief of social distress.

I, therefore, wish to extend to his family, his friends and his electors whom he has served so generously, the tribute of his Conservative colleagues in this house.

(*Text*):

I will just add this one word in English before taking my seat. The late Mr. Dubois is deeply mourned by his Conservative colleagues. In his fidelity to all the charities of life, great and small, there was in this house no more complete, no more cultivated, no more Christian gentleman than the hon. member for Nicolet-Yamaska, whose passing we regret.

STANDING COMMITTEES

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That a special committee be appointed to prepare and report with all convenient speed, lists of mem-

bers to compose the standing committees of this house under standing order 63, said committee to be composed of Messrs. Fournier (Hull), Claxton, Casselman, Knowles and Weir.

Motion agreed to.

INTERNAL ECONOMY COMMISSION

Right Hon. L. S. St. Laurent (Prime Minister) presented the following message from His Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an approved minute of council, appointing the Hon. J. A. MacKinnon, Minister of Mines and Resources, the Hon. Colin Gibson, Secretary of State, the Hon. Alphonse Fournier, Minister of Public Works, the Hon. D. C. Abbott, Minister of Finance, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter 145 of the Revised Statutes of Canada, 1927, intituled: An act respecting the House of Commons.

LIBRARY OF PARLIAMENT

Report of the joint librarians of parliament. —Mr. Speaker.

HOUSE OF COMMONS

RESIGNATION OF CLERK ASSISTANT AND APPOINTMENT OF DEPUTY CLERK ASSISTANT

Mr. Speaker: I have the honour to inform the house that during the recess the resignation has been received of Roy T. Graham, Esquire, K.C., as clerk assistant, and that John T. Dun, Esquire, Chief of Committees and Private Legislation Branch, has been appointed as deputy clerk assistant.

BUSINESS OF THE HOUSE

MOTION FOR PRECEDENCE OF DEBATE ON ADDRESS —DEBATE ON ADMISSION OF NEWFOUNDLAND INTO CONFEDERATION

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I beg leave to move, seconded by the Minister of Trade and Commerce (Mr. Howe):

That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration on Thursday next, and that this order have precedence over all business except the introduction of bills and government notices of motions on Thursday and Friday, January 27 and 28, 1949.

I had intended at the same time to move for an order of the house on the subject of business of the house next week, but I have been informed by some hon. members that that arrangement had not yet appealed to them as being the best that could be made, that there might have to be a debate on a motion of that kind, and that it would better suit their convenience if the debate did not take place until Friday. So, instead of combining that with the motion I now put before the house, I would simply give notice of a motion to be made on Friday with respect to procedure for next week and following days.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, as this motion is not in the usual form, I think it would be very helpful to hon. members if the Prime Minister (Mr. St. Laurent) would explain the effect of the motion, and what he suggests should be done tomorrow under that motion.

Mr. St. Laurent: The motion is not in the usual form, inasmuch as it does not extend to the whole of the time during which the address of His Excellency the Governor General and addresses in reply may be under debate in the house. But it does provide, in the usual form, that tomorrow and Friday the speech from the throne be considered. The procedure on adoption of the motion would be that the address would be moved and seconded tomorrow. Then I would assume that, in accordance with traditional practice, Your Honour would recognize first the leader of the opposition (Mr. Drew), that I should follow him, that he would then recognize the hon. member for Rosetown-Biggar (Mr. Coldwell), and following the hon. member for Rosetown-Biggar, the hon. member for—

Mr. Graydon: No; you did not do that before.

Mr. St. Laurent: —the hon. member for Peace River (Mr. Low). After those hon. members have been heard, then the debate would continue in such order as might be arranged by the Whips, in the usual manner.

I had intended at this time to move that afterwards, from Monday, January 31, until and including Friday, February 11, matters having to do with the entry of Newfoundland into confederation should have precedence over other matters. But I was told by some hon. members that that did not appeal to them as being the proper procedure, that there would be debate on a motion of that kind, and that it would be preferable not to have the debate which would be expected this afternoon in view of the fact that other engagements had been made. I am therefore giving notice that I will make that motion on Friday. The purpose of the motion will be that on and from January 31 until Friday, February 11, the matters dealing with the entry of Newfoundland shall have precedence. However I am not making that motion at the present time; I am putting a notice on the order paper.

Mr. Drew: Mr. Speaker, I do think that hon. members should recognize the effect of the motion in the form in which it is presented. In the form in which it is presented the debate on the speech from the throne will

have precedence only for Thursday and Friday, and to carry forward the debate under the usual terms or following the usual procedure would require another motion, were it not for the fact that the Prime Minister has indicated that he intends to introduce a motion which would have the effect of postponing the debate on the speech from the throne.

I do not think it would be appropriate for me to make any comments on this motion in relation to the motion of which notice has been given. Nevertheless the effect of this motion is such that it would be unwise to ignore the position in which the debate on the speech from the throne is left unless the second motion is carried by the house.

While the Prime Minister may assume that he will be able to persuade a sufficient number of hon. members to produce that result by their votes, such assumption should not blind hon. members to the fact that if this motion as it now stands is carried nothing will have been done to provide for the continued debate on the speech from the throne after Friday.

I suggest that not only is this motion contrary to any motion that has been introduced in this house since confederation; it is a motion which if carried in its present form presupposes the ability of the government to carry a subsequent motion by the acceptance by members of one party of the decision of the Prime Minister without any regard to another motion. The continuance of this debate rests entirely upon that assumption, which, it seems to me, is not consistent with our parliamentary practice.

I urge the Prime Minister seriously to consider the withdrawal at this point of the motion and the substitution, which he can easily make, of the ordinary motion to the effect that the debate continue to have precedence. Then if the subsequent motion gains the support of this house the effect will be the carrying forward of the debate anyway. Such a motion would not in any way be subject to the disabilities that this motion contains.

I should like to point out that I as well as other hon. members of the house are under some handicap in debating a motion such as this because it deals with the address of His Majesty's representative. It is customary, and I believe the record will show that it has always been the practice, that the motion provide that the debate have precedence over all other government business. On those rare occasions when a subsequent motion was moved which had the effect of postponing the debate it related to the debate in the customary form and provided for the carrying forward of that debate without any such limitations as are now laid down. I again ask the Prime Minister to take this into consideration.

[Mr. Drew.]

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I should like to support the leader of the opposition (Mr. Drew). This motion, being worded as it is, does exactly what he says it does: it limits the debate to two days. It seems to me that if we pass this motion we shall be limiting ourselves to Thursday and Friday. Without notice of another motion we might find ourselves in a difficult position if the proposal of the government should not carry on Friday. In a democratic institution we have always the right to presuppose that hon. members may not always vote in accordance with the wishes of the government.

I join the leader of the opposition in suggesting that the wording of the motion be changed. We can deal with the situation as it arises on Friday, when the other motion which the Prime Minister (Mr. St. Laurent) has foreshadowed can be discussed and, if the house sees fit, passed.

Mr. St. Laurent: I cannot accede to the request made by the leader of the opposition and by the hon. member for Rosetown-Biggar (Mr. Coldwell) because that would be asking the house to make an order and expecting the house to reverse that order on Friday. I moved my motion in this form because I had been told by hon. members that there would be a debate upon any motion made in an attempt to postpone the debate on the address. If that were so I thought it would be preferable to have it made on Friday. I am quite prepared to agree to that.

I am prepared to state here that I am making no other assumption than the assumption that this motion provides for the order of business for two days and that a motion will have to be made on Friday for the order of business subsequent to that. If the order on Friday is not made in the terms of the motion of which I have given notice, I can move another motion for that order of business. This is merely to determine that we can go on tomorrow and Friday with the debate on the address.

Mr. Rowe: By unanimous consent.

Mr. St. Laurent: No, not by unanimous consent but by virtue of the motion I am now putting before the house. If hon. members wish to have a debate this afternoon I am quite prepared to have it. I even suggested that we should have it. However, I was told that that would not meet their convenience because other arrangements had been made for the rest of the day. It was necessary to make some provision for tomorrow and Friday.

On Friday I will move that the debate on the address be not given precedence during those days, but that precedence be given to

the measure with respect to Newfoundland. We do not mean to adopt any dictatorial attitude.

Some hon. Members: Oh, oh.

Mr. St. Laurent: Hon. members can say "Oh, oh" all they like, but that is the fact. I know the intent of our desires just as well as hon. members who are saying "Oh, oh". I wish to meet in the greatest degree possible the convenience of all hon. members in the house. I do not want to start a debate today on the reasons for proceeding immediately with the Newfoundland measure; that will come on Friday. If we cannot arrange something that appears to be satisfactory to the majority of the members of the house, we will arrange something else. There is no intention of getting a snap decision of the house, but I do not think it would be appropriate for me to ask the house to make one order today and then come back on Friday and ask it to vary that order.

Mr. Drew: I have asked the Prime Minister to reconsider this, but since he has not done so I would point out that this motion does not produce the effect which he has indicated to the house. He says that this would have the effect of carrying on the debate; that unless there was another motion we would go on with the debate.

Mr. St. Laurent: Oh, no, I did not say that.

Mr. Drew: That was the impression I gained.

Mr. St. Laurent: I am sorry I did not express myself sufficiently clearly. I said that if we could not arrange to go on with the Newfoundland matter we would make some other arrangement for using the time of the house from Monday onward. I quite realize that some provision will have to be made on Friday for the business of the house during the days of next week and following.

Mr. Drew: I should like to continue what I was pointing out. The practice I have suggested is the accepted practice and *Hansard* will show clearly that the right hon. member for Glengarry (Mr. Mackenzie King) on the last occasion, when he as Prime Minister presented a motion of a similar character, presented the motion that has always been presented to deal with the speech from the throne and give it precedence. On the very occasion when he did that he indicated that he would be introducing another motion which would have the effect of postponing the debate on a certain day. Therefore there is no inconsistency in presenting the usual motion to give precedence to the debate, and to give on Friday, as the Prime Minister now has, notice of a motion, to be debated then, which, if carried by the house, would have the effect of postponing the debate.

This motion is not in the form in which a motion for debate on the speech from the throne has been put forward traditionally in this house. My understanding of the rule is that such a motion requires unanimous consent, or forty-eight hours' notice. I indicate to you, Mr. Speaker, that I do not consent to proceeding with this motion in its present form. I want to make quite sure that no suggestion can be made that we are blocking the debate on the speech from the throne. Therefore, if the Prime Minister will now introduce the motion that has been used regularly since confederation, we will support it and give unanimous consent.

Mr. Stanley Knowles (Winnipeg North Centre): The Prime Minister indicated that one of his aims was to avoid a debate on procedure today, but it must be apparent to him that he has made the very move which is likely to produce a prolonged debate. Yet I suggest it is still possible to avoid a procedural debate today if he will accept the suggestion made by the leader of the opposition (Mr. Drew) and the leader of this group. All he has to do is to withdraw the motion he has made and make the motion that has been made on almost every occasion, namely, that the debate on the address begin tomorrow and have precedence until it is concluded. As the leader of the opposition has said, he can then give notice that on Friday it is his intention to move a motion to the effect that notwithstanding the order of January 26 such and such shall be the case. I would point out that not only was this done in that manner last year, but in many sessions the debate on the address has proceeded for a considerable period of time and has then been interrupted by a subsequent motion. I would suggest that the Prime Minister should make the usual motion. If he will accept that suggestion he will avoid a debate today.

Mr. St. Laurent: I think the hon. member is making a mistake. The motion that was made was that the debate on the address have precedence for one day and that on the following Monday measures arising out of the emergency legislation—

Mr. Knowles: On a point of order, that was interpreted to go on and on, indefinitely.

Mr. St. Laurent: Yes, but the motion that was made was not that the debate on the address have precedence until concluded. It was that it have precedence only over the Monday following the opening of parliament,

and that thereafter legislation having to do with the restrictions announced by the Minister of Finance (Mr. Abbott) be dealt with. They were dealt with until adjournment and we did not resume the debate until the 28th of January. The motion that was made was as follows:

> That the debate on the address in reply to the speech of His Excellency the Governor General to both houses of parliament be the first order of business on Monday, December 8th instant, and that this order be followed by government notices of motion and government orders notwithstanding anything in standing order 15.

I had a motion in that form, and I was asked not to bring it forward today because it would give rise to a debate which it was not desirable to have at this time. It is precisely those who asked me to avoid precipitating a debate about it who now say that they cannot accept this motion because it does not provide that the debate on the address will have precedence until it is concluded. I am not in a position to make that kind of motion. If that kind of motion were made it would be an order of the house, and I could not properly ask to have it reconsidered.

Mr. Drew: I do not want to labour the matter, but I do wish to point out again to the Prime Minister that his predecessor in office, who was very careful about procedure, followed precisely this course. He introduced a motion which gave precedence to the debate on the address and indicated that he was going to introduce the other motion. That has been the practice. I repeat that there is a suggestion before the Prime Minister which would solve any problem of procedure and leave it open to him to deal with the other motion. I should like to refer to standing order 45, which seems clear enough:

> Forty-eight hours' notice shall be given of a motion for leave to present a bill, resolution or address . . .

And so on.

Unless that is done I submit that the house cannot proceed with the debate. We wish the motion to be put in the usual form to place the debate on the speech from the throne before this house. We will support that motion if it is prepared in the usual way but in the present form it places a definite limitation upon the debate. I cannot give consent to it and I ask you to rule that this motion cannot be debated today.

Mr. St. Laurent: In order to avoid debate I am quite prepared to withdraw the motion and to trust that it will be the desire of hon. members tomorrow that we proceed with the debate on the address. There will not have been any order of the house made, but I trust it will be the wish of the house tomorrow under the standing orders that we proceed to consider the speech from the throne. I do not want to ask the house to make any order that any hon. member might feel went beyond what I said was intended. If there is any feeling that an order on this motion will have any other effect than to provide that we deal with the address tomorrow and Friday, and that we decide on Friday what we will do next, I do not wish to press it against opposition. I do not think it is the kind of motion which requires notice, but perhaps tomorrow we shall be able to consider the speech from the throne without having had any order made.

Mr. Rowe: Following the government's desires rather than parliamentary rules.

Mr. St. Laurent: I do not think the hon. member is justified in making that remark. Does he really consider that he is?

Mr. Rowe: I think he is.

Mr. St. Laurent: I do not think he is. If there is objection to this motion being made today I am quite prepared to withdraw it and to abide by the standing orders of the house.

Mr. Drew: So that there may be no misunderstanding, I was dealing with a motion in a certain form. The Prime Minister has indicated his willingness to withdraw that motion. We come now to another point. There can be no objection to proceeding with the debate in the usual way in so far as the mover and seconder are concerned, but I am unaware of any precedent for the leader of the opposition and the Prime Minister following immediately afterwards under such circumstances as we have here. I do not think that should be suggested. The speech from the throne has only been presented today. The debate is on that speech, and it is customary to afford the leader of the opposition an opportunity to examine it so that his remarks will deal with it. I want to make that observation now that the Prime Minister has withdrawn the motion. I make the observation as to my views of the procedure on the debate merely for the purpose of avoiding any misunderstanding tomorrow.

Motion withdrawn.

BUSINESS OF THE HOUSE

Mr. St. Laurent moved the adjournment of the house.

He said: Tomorrow the first order of business, I hope, will be a motion for an address in reply to the speech from the throne.

Motion agreed to and the house adjourned at 5.43 p.m.

HOUSE OF COMMONS

Thursday, January 27, 1949

The house met at three o'clock.

PRIVILEGE

PRESS REPORT OF REMARKS OF MEMBER FOR VANCOUVER CENTRE

Mr. James Sinclair (Vancouver North): Mr. Speaker, at this opening moment of the first business day of parliament I rise on a question of privilege affecting the good name and the honour of every member of this house except one. On the front page of the Vancouver *News-Herald* of July 26, 1948, appeared the following headline:

C.C.F.'er classes M.P.'s as "bunch of crooks".

The article reads as follows:

The Canadian people have been sending "a bunch of crooks" to parliament, Rodney Young, C.C.F. member for Vancouver Centre, told a C.C.F. open forum here Sunday. "And I will not take that statement back," he added.

Commenting on the "anti-labour" and "reactionary" attitude of Liberal and Progressive Conservative members of the Commons, Mr. Young said in a report on the last session, "I am burned up by the nonsense some of these people utter. The workers would be unholy mad if they knew what was going on in parliament."

The Canadian people were coming to believe they must send men of the producing classes, not lawyers, to parliament. The government had been "stunned" by the election of three C.C.F. members in recent by-elections.

Mr. Young, who spoke five times in five days while at Ottawa, assured his friends that he would "really go after those guys" at the next session.

I was amazed that any member should make such a statement, especially a member who had been here only ten days. I thought it another case of a loose tongue outrunning good judgment, and expected a retraction the following day, or at least the usual weak defence that he had been misquoted or misunderstood. When no such retraction appeared, as the member for the adjacent riding I felt it my duty, in fairness to my colleagues in the House of Commons, to follow up the matter. I went to the *News-Herald* and asked the editor whether, while it was still fresh in his mind, I might speak to the reporter who had covered the meeting. The reporter gave me this statement:

I had already written the story of the meeting before I went there, basing it on a prepared report by Denny Kristiansen, C.C.F. publicity man. When I got there, I found that Young spoke mostly on other things, so I had to write another story of the meeting and refer to the former one as an "interview." I find in my notes that he said the people had "been hiring a bunch of crooks in parliament." Writing the report, my mind was not sure about the word "hiring," so I made it "sending," but did not put it in quotation marks. He added that he would not take it back. If he were in the House of Commons, he said, it would be ruled out of order as unparliamentary, but he could use the expression there at the meeting and he would stand by it.

However, I found that I had no need to get such a statement, because the three Vancouver papers immediately took exception to the statement and defended our good name. This provoked the member for Vancouver Centre (Mr. Young) to the writing of a letter to the *News-Herald* in which he repeated this charge and added other charges. I now wish to refer to that letter. The heading in the newspaper is as follows:

"A bunch of crooks"—M.P.'s called loafers, too.

I quote the first two paragraphs of the letter:

In view of the editorial appearing in the August 3 issue of the *News-Herald* I should be greatly obliged if you extend me the courtesy of publishing my reply.

Speaking at a public meeting on the evening of Sunday, July 25, I made the following statements—

Here is an interesting thing. Nine days after he made an ad lib speech he is able to explain in detail exactly what he said. I will not read the exact words, but he calls us incompetent, lazy and flagrantly neglectful of our duties. Further on in the letter he repeats his charge about crooks, in these words:

"I have said that I regard certain members of parliament as 'crooks'; I do not consider this term too harsh; I will not be afraid to use the language of the people. You can rely on me; I shall get after those 'guys' good and plenty, when I get back to the next session."

Then the letter goes on:

The news item in your journal stressed my use of the term "crook." Since it was a news item and not a commentary, I had no quarrel with the reporter, who was doing a job. The editorial was a statement of opinion in which you deprecated my general attitude and terminology. I do not agree with you on these points, and will have no hesitation in facing my fellow members at the next session of parliament should some of them feel that the cap fits.

In public life, Mr. Speaker, all of us are accustomed to slanderous attacks from crackpots, made in ignorance, and from communists with the intention of trying to break down our parliamentary institution. We generally ignore these statements. When such

charges are made by a member of parliament, speaking as such at a public meeting, we cannot ignore them.

I now challenge the member for Vancouver Centre to stand up here before his peers and name specifically the members who, he charges, are crooks; to prove his charges, and, if he fails in those charges, to follow the British tradition and resign his seat. If he does not do that, I propose to move, seconded by the member for Vancouver-Burrard (Mr. Merritt), that when the standing committee on privileges and elections is formed the hon. member for Vancouver Centre be called before that committee, and the committee can decide whether he is a fit and proper person to sit in this company of honest and honourable men.

Mr. Rodney Young (Vancouver Centre): Mr. Speaker, I have listened to the impassioned speech of my hon. friend across the way; and as I said in my letter to the *News-Herald*, from which he has quoted only in part, if any of my fellow members felt that the cap fitted I should be happy to have them wear it. I did not expect that the hon. member concerned would consider the cap fitted him, but apparently he does.

Mr. Sinclair: On a question of privilege—

Mr. Young: I am going to read—

Mr. Speaker: Order. I cannot permit the hon. member to carry on a debate on this question. I will give him the opportunity, as I think would be the desire of the house, to explain what he has done, but I do not think he should proceed to make a speech on a question of privilege.

Mr. Sinclair: On my question of privilege, Mr. Speaker, the hon. gentleman has just asserted that the cap fits me, that I am a crook. I ask him to withdraw that statement now; and if he does not care to withdraw it now I shall certainly see that it is withdrawn after this session is over.

Mr. Young: I said "if".

Mr. Speaker: Presenting reports by standing and select committees.

Some hon. Members: Withdraw.

Mr. Sinclair: I asked the hon. member to withdraw.

Mr. Speaker: Since the words complained of by the hon. member for Vancouver North (Mr. Sinclair) were spoken outside the house, the Speaker has no power to request the hon. gentleman to withdraw; but if he wishes to take advantage of this opportunity to withdraw what he has said, I have no doubt hon. members will be pleased.

Some hon. Members: Withdraw.

[Mr. Sinclair.]

Mr. Sinclair: I am still asking the hon. member to withdraw the insinuation that the cap fitted me. I drew to the attention of the house his allegation that we were all crooks —including the hon. member for Rosetown-Biggar (Mr. Coldwell), for that matter, since he did not say it was just the members of other parties. Again I ask, in my own case, that the hon. member meet this challenge, failing which we will move that he be brought before the committee on privileges and elections to defend himself. However, I still ask him to withdraw at this moment the insinuation against myself personally.

Mr. Young: May I be permitted to read my reply in full?

Some hon. Members: No.

Mr. Speaker: Order. As I have already said, the attention of the house has been drawn to what was said outside the house. I would suggest that the hon. member for Vancouver North follow the procedure he mentioned a few moments ago and wait until the committee on privileges and elections is set up.

Mr. Sinclair: It is not the letter I am complaining of now; it is the language the hon. member used about me this afternoon in this house.

Mr. Speaker: Would the hon. member be kind enough to repeat the words pronounced in the house this afternoon which he would like to have withdrawn?

Mr. Sinclair: The hon. member implied that the cap of a crook fitted me, since I was the one who took exception to his comment that if some hon. members felt that the cap fitted them they could bring the matter up in the House of Commons. That is the point I am raising at the moment, and I ask that the insinuation be withdrawn now because it was made in this house.

Mr. Young: If I have said anything in this house today which reflects upon the hon. member, I am perfectly willing to withdraw it.

Mr. Speaker: Order. Do I understand, then, that the hon. member withdraws what he has said?

Mr. Young: Today.

THE PRIME MINISTER

INVITATION OF PRESIDENT OF THE UNITED STATES TO VISIT WASHINGTON ON FEBRUARY 12

Right Hon. L. S. St. Laurent (Prime Minister): I hope it will be of interest to hon. members to learn that the President of the United States announced today that he has invited me to visit Washington on February

12, 1949, and that I had accepted his invitation. The United States ambassador called on me yesterday morning to extend the invitation. I told Mr. Steinhardt I would naturally be pleased to accept it.

The President was kind enough to indicate that he would like to renew our acquaintance and to discuss the matters which are of common interest to our two countries as neighbours, and also the world situation as it affects our two countries.

Everyone knows that the friendly personal relations between the late President Roosevelt and our Prime Minister were of inestimable advantage to this continent and to the world. President Truman has expressed the desire, which I fully share, to maintain these friendly personal relations between the leaders of the governments of our two countries. Hon. members will recall that President Truman visited Ottawa in June, 1947, at the invitation of my predecessor, and that his visit was both pleasant and beneficial.

REPORTS AND PAPERS

Right Hon. L. S. St. Laurent (Prime Minister): I table herewith, in English and in French, the terms of union of Newfoundland with Canada, and answers to the questions raised by the Newfoundland delegation when it was here discussing these terms of union.

Also the orders in council passed since prorogation of the last session of parliament with respect to the transfer of duties; orders in council of August 17, 1948, November 5, 1948, two of November 15, 1948, and December 8, 1948.

Hon. J. J. McCann (Minister of National Revenue): I desire to lay on the table the annual report of the Department of National Revenue for the year ended March 31, 1948, in English and in French.

I also wish to report that, with reference to the export of petroleum and pulpwood, no orders or regulations have been issued under the export of petroleum and pulpwood regulations established under chapter 63 of the Revised Statutes of Canada, 1927, since the last return made to parliament.

With reference to the Canada-United Kingdom income tax agreement, no orders or regulations have been issued under chapter 38 of the Statutes of 1946, being the Canada-United Kingdom income tax agreement.

With reference to the Canada-United Kingdom succession duty agreement, no regulations or orders have been issued under chapter 39 of the statutes of 1946, being the Canada-United Kingdom succession duty agreement section.

With reference to the Canada-United States tax convention, no orders or regulations have been issued under the convention relating to succession duties, enacted as chapter 31 of the statutes of 1934, since these were tabled in the house on March 20, 1946.

(For complete list of reports and papers tabled, see *Votes and Proceedings*, No. 2, January 27, 1949.)

HOUSE OF COMMONS

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. L. S. St. Laurent (Prime Minister): If I may have the unanimous consent of the house to do so, I should like at this time to move:

That William Henry Golding, Esquire, member for the electoral district of Huron-Perth, be appointed deputy chairman of committees of the whole house.

Some hon. Members: Hear, hear.

Mr. St. Laurent: I thought the manner in which the hon. member performed his duties as deputy chairman of committees of the whole in previous sessions would assure me of the unanimous consent for which I have asked. I therefore move, seconded by the Minister of Trade and Commerce (Mr. Howe), the foregoing motion.

Motion agreed to.

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT BUSINESS

Right Hon. L. S. St. Laurent (Prime Minister): Yesterday the discussion with regard to the procedure for today was concluded as follows, as reported in *Hansard* at page 12:

Mr. St. Laurent: In order to avoid debate I am quite prepared to withdraw the motion and to trust that it will be the desire of hon. members tomorrow that we proceed with the debate on the address.

The leader of the opposition (Mr. Drew) said:

So that there may be no misunderstanding, I was dealing with a motion in a certain form. The Prime Minister has indicated his willingness to withdraw that motion. We come now to another point. There can be no objection to proceeding with the debate in the usual way in so far as the mover and seconder are concerned, but I am unaware of any precedent for the leader of the opposition and the Prime Minister following immediately afterwards under such circumstances as we have here. I do not think that should be suggested. The speech from the throne has only been presented today. The debate is on that speech, and it is customary to afford the leader of the opposition an opportunity to examine it so that his remarks will deal with it. I want to make that observation now that the Prime Minister has withdrawn the motion. I make the observation as to my views of the procedure on the debate merely for the purpose of avoiding any misunderstanding tomorrow.

On the assumption that the foregoing represented the feeling of the house generally, I

now move that we proceed forthwith to consider the speech delivered yesterday by His Excellency to both houses of parliament. I understand that it is in order to make this kind of motion to apply to the proceedings of today only, but I would have no objection to its applying to the proceedings of the house until otherwise ordered by the house, if it is the desire of hon. members that the motion be in that form. I have it in the two alternative forms:

That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration forthwith.

Or:

That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration forthwith and that this order have precedence over all other business except introduction of bills and government notices of motions until otherwise ordered by the house.

I am informed that as to the more complete motion, the technical objection can be raised that forty-eight hours' notice has not been given. If that objection is taken, I suggest the first form, which would provide for the speech being dealt with today. As to the observation of the leader of the opposition that since the speech was delivered only yesterday it would be unusual to require him to deal with it today, if he still feels that way about it, and wishes, after the mover and the seconder have been heard, to move the adjournment of the debate, we on this side of the house would raise no objection.

Mr. George A. Drew (Leader of the Opposition): The proposal which has just been made by the Prime Minister is, I think, in accord with the suggestion I made at the conclusion of my remarks yesterday. While I am unable, of course, to indicate unanimous consent except in so far as I may be able to do so for the members of the party which I lead, I am quite prepared to consent to proceeding with the debate if the second motion which has been read is introduced; it is in accordance with the established practice. I do so on the understanding which has been indicated by the Prime Minister, that at the conclusion of the speech of the seconder I move adjournment of the debate in the usual way.

Mr. Coldwell: I think that is quite satisfactory, Mr. Speaker.

Mr. Low: That will be satisfactory to our group.

Mr. St. Laurent: I move, seconded by the Minister of Trade and Commerce (Mr. Howe):

That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration forthwith and that this order have precedence over all other business except introduction of bills and government notices of motions until otherwise ordered by the house.

Mr. Drew: Just to clarify the record on this point, Mr. Speaker, I have noted something which I think should be explained to the house before we proceed with the debate. I received my copy of *Votes and Proceedings* earlier in the day, and I find that the same copy is still on the desks of most of the members. A few minutes ago a new copy of *Votes and Proceedings* for yesterday was tabled. It includes two additional items which were not in the first printed copies distributed to the members this morning. The second of the additional items is a notice of motion by the Prime Minister. It reads as follows:

That on and after Monday, January 31, 1949, and every sitting day thereafter until and including Friday, February 11, 1949, government notices of motions and government orders shall have precedence over all other business except introduction of bills.

On inquiry I found that the copy which contains the motion I have just read is not yet on the desks of most hon. members. I think it would clarify the procedure if we could be told why one copy of *Votes and Proceedings* was delivered and then a subsequent copy delivered which contains a new and very important motion.

Mr. Speaker: I must say to the hon. gentleman that I shall look into the matter.

Mr. St. Laurent: I can give an answer to the leader of the opposition right away. As I announced in the house yesterday afternoon, I gave notice of this motion, which is the last item on the *Votes and Proceedings* that the hon. gentleman has just read, and when I got the first issue of *Votes and Proceedings* this morning I was surprised to find it was not there. I communicated with the Clerk of the House, who verified the fact that he had it, but through some omission it had not gone to the printer. He told me that it was not the first time that there had been an oversight of this kind, and that he would see that the printer had the *Votes and Proceedings* completed in time for the sitting this afternoon.

I think I might take this opportunity to say that I have had representations from hon. members on both sides of the house, who, in spite of their realization of the urgency of proceeding with the Newfoundland terms of union so that we may have them dealt with by this parliament and subsequently by the parliament of the United Kingdom before March 31, feel they would like to have all next week devoted to the debate on the address. When this motion is called tomorrow,

if I can have the consent of the house to do so, I shall substitute for the dates that are mentioned the corresponding dates one week later.

Motion agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. D. F. BROWN (ESSEX WEST) AND SECONDED BY MR. LEOPOLD DEMERS (LAVAL-TWO MOUNTAINS)

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

Mr. D. F. Brown (Essex West): In rising to propose a resolution of appreciation to His Excellency, the Governor General of Canada, for his gracious speech addressed to both houses of parliament, the people of the constituency of Essex West, which I have the pleasure to represent in this house, are honoured and privileged to join with Canadians from the Atlantic to the Pacific in our tribute of loyalty and affection to His Majesty, George VI, our king, and his gracious consort, Queen Elizabeth. We do this, not with a feeling of subservience or subordination, but with the dignity of fidelity and allegiance.

We recognize and admire the attitude of sincerity which Their Majesties attach to their high office, their kindliness to the problems affecting their millions of subjects, their thoughtfulness of those afflicted, and the standard they have set for the world in their domestic lives by the grace, gentility and simplicity of their home living.

Canadians in all walks of life have learned with rejoicing of His Majesty's recent recovery from a serious physical disorder, and have breathed a prayer of thanksgiving for his restoration to health and strength. We humbly express to him our sympathy in the discomfort and suffering which he has endured, but are consoled by the promise that "the darkest hour precedes the dawn".

The British commonwealth of nations for many years has looked, hopefully and expectantly, for word of an heir to the throne. On November 14, 1948, this long awaited promise was fulfilled in the birth of "wee Bonnie Prince Charlie" to Her Royal Highness Princess Elizabeth and the Duke of Edinburgh. To the parents of the baby, christened Charles Philip Arthur George of Edinburgh, we extend our sincere congratulations. To the baby, all Canada extends its hope and prayer for a lifetime of health for himself, happiness with his family, and success in his relationship with his loyal subjects.

The year just passed has brought many changes in our national life and personalities. The Right Hon. William Lyon Mackenzie King, who had held office longer than any other prime minister in the British empire, retired from his post as Prime Minister and leader of the Liberal party. Mr. King's dynamic leadership of the House of Commons, his unbounded energy in upholding that which he thought best for his country, and his unfailing courtesy, thoughtfulness and kindness, will always be an inspiration to the members of this house.

A man of peace, who abhorred war, he led Canada victoriously through the bitter storm and strife of conflict into the calm harbour of peace and prosperity, with distinction to himself and with honour to his country. His career of self-sacrificing service will be a beacon light to the youth of Canada for generations yet unborn. His followers will remember his uncanny insight and perspicacity; the opposition will remember him for his vigour and tenacity; but the little people of Canada will remember him as their friend and champion. History will be very kind to William Lyon Mackenzie King.

During the past year the hon. member for Neepawa (Mr. Bracken) found it necessary to retire as leader of the official opposition. During his term the hon. member endeared himself to all members of this house, regardless of party affiliations, by his warmth of friendliness, his vigour of opposition in the house, and his courtesy and affability outside the house. We wish him well.

On the turning of the pages of the history of this house, we are now proud to have as our leader one who is truly a Canadian of distinction—Right Hon. Louis Stephen St. Laurent. Mr. St. Laurent, having heard the clear call of duty, has rejected personal placid interests to accept the highest post of service to his country—that of Prime Minister. In this arduous position he will have every opportunity of displaying to the fullest extent his widely known powers of conciliation and sagacity. We on this side of the house are privileged to serve under his benevolent direction and admonition. May Canada continue to prosper and expand in stature among the nations of the world during his term of office.

It has been said that a government is as strong as its opposition. We are also welcoming a new leader of the official opposition, who comes to this chamber with many years of experience as premier of my own province, the province of Ontario. He has shown much energy and aggressiveness in his public career. We trust that his leadership of the opposition will be vigorous and constructive.

On the 11th day of December, 1948, an agreement was entered into by the Dominion of Canada having the effect of bringing into the confederation of the Dominion of Canada the province of Newfoundland, thus uniting in legislative matters two branches of the British commonwealth of nations, living side by side and having similar hopes and ideals. The people of my constituency join with all Canada in extending a warm and cordial welcome to Newfoundland, the tenth province of the Canadian family of provinces.

The agreement for union of Newfoundland has not come about without having to hurdle many obstacles; but with two groups of people, such as Canada and Newfoundland, with the same customs, principles, and aspirations, the union would seem to be natural.

Upon referendum submitted to the people of Newfoundland, the desire to enter into confederation with Canada was expressed. Subsequently representatives of Canada and Newfoundland met and determined the arrangements for the union, which upon approval of the parliament of Canada will come into effect on the 31st day of March next.

Canada and Newfoundland have much in common for a union. Both have the same heritage in freedom of action, speech and religion. Both have the same political traditions. Both have grown to maturity side by side, and each has been able to observe the progress of the other. Both have realized that in a fast-moving world they need one another for their common defence. Both see that the greatest good, by way of special reforms and security, can come to the ordinary citizen in both places only if united we stand. We believe we can offer to Newfoundland much in the way of trade, but we need also what Newfoundland has to contribute. Newfoundland has lumber and pulpwood; it has fish and sea foods. It has vast deposits of iron ore and other metals. But, more than anything else, we welcome the people of Newfoundland. We realize they are a proud people, of rugged nature, strong and industrious, anxious to take their full share of responsibility, and that they expect their full share of the gains. We Canadians are proud to become associated with them.

We will undoubtedly encounter differences of opinion from time to time; but, having visited each of the nine existing provinces of Canada, I have observed that, while governments may often disagree, the common people of our dominion have the same high goal always before them—that of peace, industry, integrity, and security.

It is in this spirit of partnership that we extend our welcome to the tenth province of the Dominion of Canada, the province of Newfoundland.

My constituency, that of Essex West, borders on the Detroit river for approximately fifteen miles. Discussions on the St. Lawrence waterway development are therefore of vital interest to us, as they should be to all other parts of Canada.

By our methods of production we in Canada do not depend upon domestic markets. We are a trading nation. We export to the four corners of the world. In fact I believe we export about one-third of all the goods we produce. This probably would be much higher in my own constituency. We are therefore most anxious to devise ways and means by which, wherever and whenever possible, we can reduce the cost of the goods we produce and at the same time maintain our high level of living. One of the items which contribute to the increased price of our goods in competition with other goods of a similar nature on the world market is that of transportation of our goods to the consumer in the distant land.

Canada has access to 2,400 miles of waterways from Fort William to the Atlantic ocean. This great waterway, for the most part, is of deep navigable water with a height of 600 feet of falling energy. This waterway is similar to a series of saucepans with the spout of one dropping into the pan below, but with the spout of the final saucepan corroded with rocks, timber, and fear—fear of debt and disaster.

Time passes on. When Jacques Cartier sailed up the St. Lawrence to claim the wilderness for France, little did he realize what he was starting—for this was the first link in the chain of events which has led to the struggle to obtain a free outlet to the sea —a freedom from the bonds of nature. Champlain, La Salle and all the great explorers have seen the need for this direct water route from the sea to that great inland empire of Canada. And now it is hoped the final removal of the impediment of the ages will be realized.

Since the days of the early settlers in Canada, wheelbarrows have become bulldozers; the old buckboard has become the sleek sedan; the magic lantern, the television set. The sailing vessel has become the modern oil burner. And the steamships have grown from the impressive length of 250 feet and a capacity of 2,000 tons to the ships of today with a length of 600 feet and capacity of 20,000 tons. Ships of this latter class pass along the border of my constituency unnoticed every few minutes of the day for eight or nine months of the year.

According to the United States Department of Commerce, seventy-one per cent of the ocean-going vessels of the principal maritime nations of the world operate on a draft of twenty-five feet or less. Thus ships in Canada's huge export and import business, ships coming from distant ports, are blocked upon reaching the rapids of the St. Lawrence river with its canals and locks constructed to a depth of only fourteen feet.

Travelling eastward, as the ships move from Fort William to the sea carrying Canada's consumable gold, pulpwood, or minerals, a drop of approximately twenty feet is encountered at Sault Ste. Marie. At lake St. Clair and the Detroit river there is a further fall of about eight feet, and channels have been deepened and are kept open during the navigation season. At Niagara Falls is the highest fall. Locks of 800 feet with depths of thirty feet provide adequate clearance. But as the boats reach the St. Lawrence river, the fourteen-foot locks are encountered and the load must be stored and reshipped.

Having deepened the channel at Welland, and having spent many millions of dollars on deepening the St. Lawrence channel below Montreal, there remains but one major obstacle to the seaway route—the bottleneck of the St. Lawrence rapids. The length of this obstruction is 183 miles; of this, 115 miles is international territory. It has about forty-seven miles of canals and twenty-two locks; but the navigable depth is still fourteen feet. It surely must be conceived as national policy that this should be enlarged to a depth of thirty feet; otherwise the millions spent above and below could not be utilized to the fullest.

True, the cost of the St. Lawrence waterways would be heavy; but can we afford not to make the expenditure? If we are going to earn money, we must spend money to create the machinery to earn it. We have spent huge sums to fight and win a war. We can and will spend comparably smaller amounts to win a peace. Time will be required; but, if the project is desirable, we have all the time necessary to bring the idea into fruition. The late President Roosevelt had an answer for those who were opposing the idea of the seaway project, when he said:

> Opponents of the seaway project have pointed out that it takes four years to build this seaway.
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> They know, but fail to mention, that it takes at least that long to build a battleship. They also know that this project will cost the United States less than three battleships, and that the power project will be entirely self-liquidating.

The development of this seaway would be a beacon light to the war-weary people of the world, who would view it as the shining example of how free men and free nations co-operate to attain a common end. It would be an enduring example of the ability of two great nations not only to live side by side peacefully, but also to develop harmoniously their natural resources. The co-operative development of a great foreign trade route by our two countries for the purpose of sharing the benefits of new commerce would be a landmark in the history of international relations.

This project will give the industries of Windsor, and all the ports of the great lakes, the cheapest and shortest access to vast new markets for the automobiles, chemicals, pharmaceuticals, and other things which we produce. No transfer of cargo would be necessary through this cheap method of transportation. We must also realize that Windsor and all other inland ports are 500 miles closer, through the St. Lawrence, to Norway, Sweden, Denmark, and to the great ports of Liverpool, London, Antwerp, and Hamburg. It is a little shorter to the Mediterranean countries, and to the middle east through the Suez canal.

Since the turn of the last century, the very life and national existence of Canada, and our sister country, the United States of America, have depended on our ability to build ships at the greatest speed, at least fast enough to provide food and materials for our fighting forces and those of our allies in foreign lands. Had the seaway been open, we could have done much better by far. Ships could have been constructed at many inland shipyards.

Let it be remembered that Windsor and Detroit were ranked as America's No. 1 arsenal, followed closely by Toronto and Hamilton. Cruisers, destroyers, and ten-ton merchant ships could be constructed in sheltered great lakes harbours far from threat of invasion, and loaded there with foodstuffs, munitions, and materials of war. Convoys could be assembled in the waters of the St. Lawrence.

In days when this idea was immature, men thought of this project as concerning only ships, wheat, ore, and harbours. But today, to the housewife in her kitchen and the workman in his factory, this seaway project means light, heat and power. It means comfort, speed, energy, and economy. Then, too, in an ever-increasing number of homes, the kitchen clock is run by electricity, and we do not hold with this "stoppage" of time.

In this project there is a fall of about 85 feet and it is estimated that there is a latent 2,200,000 horsepower of electrical energy. This will in no way conflict with the necessity of erecting steam plants in various parts of Canada to supplement the generation of electrical power. Hydro development will take care of all base loads of power, but the

emergency of peak loads must be taken care of by steam generation at strategic points throughout the country. I strongly recommend, Mr. Speaker, that this project be proceeded with without delay.

The year 1948 was good to Canada. In that year the highest peacetime levels of production and external trade were achieved, and the levels of income and employment were the highest on record. Our dependence for our domestic prosperity on our foreign trade was, however, apparent. Today Canada stands third among the nations of the world as an industrial and trading nation.

In spite of chaotic world conditions as a result of the war, the government of this country has succeeded in getting for Canadian industry the large volume of raw products and capital goods required to keep industrial plants operating as fully and efficiently as possible. The consumer has also been able to obtain the steady supply of utility and luxury goods required by our high standard of living, the availability of which has all too often been taken for granted.

Confidence in Canadian institutions is reflected by the investment boom Canada has enjoyed during the past year. The vast iron ore resources of Quebec and Labrador, the uranium deposits in our northwest territories, and the new oil fields of Alberta, indicate that the discovery and development of our natural resources and new raw materials are continuing. Canada can look forward with optimism to developments that are now in their infancy.

Canada is a trading nation. It has many new products to offer the world. We also want to buy more freely in world markets, for the high standard of living and the increased diversity and complexity of our industry demand the best that the world has to offer.

With Canada's rapid industrial growth has come an increased stature among the peoples and nations of this globe. As is always the case with the ascent of power, there has come an enlarged degree of responsibility which must be assumed. We have earnestly devoted ourselves to this moral obligation. Canada has accepted the fact that it is in our national interest to contribute, whenever and wherever possible, to the lifting of the burden and the healing of the wounds of a war-ridden world by helping such countries to help themselves, both physically and morally.

The individual Canadian—that is, Canada on a per capita basis—has done more than any individual in any other country of the world in giving material support and financial aid to the peoples of devastated countries. True, it has been the government of the day which has made all necessary inquiries, which has carried on the negotiations and made the commitments. But it is to the Canadian people that the credit must go, for they have discerned the need; they have entrusted the mandate and have given loyal support to the aid given. Much more has to be done before the pinnacle of peace will have been reached, but in the ascent Canada can look back with modesty and humility to the assistance she has given pilgrims in the upward climb.

The advent of the year 1949 finds Canada strong and resolute, looking forward confidently and expectantly to the difficult problems which confront us, secure in the knowledge that we are sufficiently armed with the sling of enthusiasm and a pouch loaded with the pebbles of vigour, humility, and proficiency to do battle with and slay any Goliath of intimidation that may oppose us.

We in Canada have been able to profit by the experience of our United States brothers in legislating in a retaliatory manner as the result of a wave of labour strikes. It is, I believe, clear by now that, generally speaking, Canadian workers want to join unions, and do so of their own free will; that, generally speaking, the rank and file dictate the acts of their leaders and back them up. Canadian labour does not like communist machinations any more than do other Canadians. The Minister of Labour should therefore be encouraged and assisted in establishing the best possible conditions conducive to labour and management settling their own differences and reaching their own agreements.

It may be that this can be accomplished simply by refraining from too much legislation; or by making certain that what legal regulation is necessary does not needlessly disrupt long-established practices which both labour and industry have come to accept as being of assistance in maintaining a harmonious and orderly relationship. It is, however, essential that the law continue to protect labour's right to organize, and that the workers be not coerced by employers or minority groups in choosing representatives to speak for them in collective bargaining negotiations.

The labouring man does not want to harm his neighbour or disrupt the orderly operations of his community. He does, however, want to live modestly and peaceably; to be able to care for his family respectably and securely; and to enjoy himself moderately and inoffensively. He has no ideas of world domination, but merely seeks the respect and fellowship of his fellow Canadians. The role of the government, therefore, is not that of

policeman intervening in a private quarrel, but merely that of the guardian of the nation's vital needs, acting in the same manner as it does when flood or hurricane strikes, to see that the essential goods or services supplied at the time of the strike shall not be denied our fellow Canadians while an agreement is being found.

A business estimated to bring in a revenue of over $200 million in a year is obviously worth protecting, and encouraging in every conceivable way. The tourist business not only brings in huge amounts of money, but it can be the means whereby every individual in Canada may have his part in creating good will for our country, binding the countries of the world in bonds of peace, and blotting out the scourge of pestilence and war.

Canada has taken some action on conservation, but much more can be done. We have felt that our resources were so vast and our population so small that we could not possibly run out of anything. But in many areas the forests are dwindling and our game, to some extent, is being depleted. One has to have a very intimate knowledge of any accessible locality to be able to procure his limit of fish or ducks. We should therefore be on guard so that our resources of game and fish do not become depleted and our game animals become exhausted, for these have a strong inducement for our tourists.

In this regard the late Jack Miner, during his lifetime, and since his passing the Jack Miner Foundation operated by his sons, have done a remarkable job in conserving wild life in the Dominion of Canada, and, at the same time, publicizing Canada all over the North and South American continents by the method of attaching to the legs of the wild game making landings on the Miner farm, near Kingsville, Ontario, a metal band on which is impressed a comforting message.

Encouragement will, I am sure, be given to the various departments of government having control of large dredging operations to see that the unwanted material dredged from the bottom of the lake or river, when deepening is necessary, is not heaped in unsightly piles along the shore, changing places of beauty into eyesores. Admittedly this is an expensive operation, but is worth the cost in the long run if the natural attraction of the country can be preserved.

Great pains should be taken in this industry to see that high standards are maintained for all public and private services. Hospitable treatment, coupled with spotlessly clean accommodation and wholesome meals prepared with care and attention, will not only make satisfied customers but produce valuable dollars. Here the province of Quebec has an edge over most parts of Canada, for, in that province, great care is taken to serve attractive meals. We should not forget that a dollar in this industry is as valuable in our exchange problem as a dollar's worth of goods exported.

Canada has an abundance of natural beauty, reaching from the rolling countryside of Prince Edward Island, with its red soil, over which roads wind among gleaming white houses and barns against a background of verdant pines with streaks of silver birch, to the mighty trees and pageantry of flowers of Vancouver island. Those who have had the opportunity of visiting the different parts of our country will bring to mind the lavish hospitality and kindness of Nova Scotia and New Brunswick, from the Annapolis valley to the Miramichi and St. John river valleys; the vivacious habitants of Quebec; the festive playgrounds of Ontario; the capacious horizon of the prairies, and the softness of the Alberta foothills at the feet of the exalted mountains of British Columbia.

It is difficult in all the vast expanse of Canada to pick out for particular mention, from the infinite array of pleasure grounds in Canada, any one particular locality, but I think it is appropriate to mention the work of the national parks branch of the Department of Mines and Resources. I feel it should be commended for its work all across Canada. The national park at Point Pelee in the constituency of South Essex, adjoining my own constituency, probably has more visitors in any given season than any comparable national park in Canada. It is unique in that the native wild life and plants vary in species more than in any other park we have. It is also the most southerly part of the mainland of Canada. One cannot resist, either, mention of the Jasper national park and lodge in Alberta, dignified in its unaffected simplicity, posed in the magnificence of its distant snow-capped mountains, reflected in the inirritable composure of its emerald lake.

Most motoring tourists prefer to stop in camps. In the United States there are hundreds of modern motels and cabins, equipped with private baths, and especially built to catch the motor tourist. The use of a little planning, a few trees and clipped hedges, comfortable beds and restful rooms will pay high dividends. The motels in and around the city of Victoria, British Columbia, can be pointed to with pride in the beauty of their architecture, the neatness of their surroundings, and the propriety of their accommodation. It is to be hoped that this form of accommodation will be introduced and expanded throughout other parts of Canada.

We welcome tourists to our country and urge all Canada to put forth its hand of cordiality and hospitality.

This country has worked incessantly for peace; yet we will not be found napping in the event of any uprising in any part of the world. Much has been done in a material way to safeguard the Canadian people. We have, perhaps, gone further in unification of our armed services than any other country.

We have a surplus of a great many strategical materials of which only a relatively small number would be in short supply. Consideration, however, must be given to the question of expanding our steel-making capacity. Active steps also have been taken to familiarize the armed forces with the battle techniques of both the British and the United States armed forces. We also are committed to the course of building a navy as befits our world position, and of equipping our air force with the implements which are called for by the times in which we live.

Windsor, being largely industrial and with the reputation of having put the British army on wheels during the last conflict, occupies a strategic point in the Dominion of Canada. H.M.C.S. *Hunter* is located there, housing the naval reserve unit, the sea cadets and allied activities. We also have an armoury, built many years ago as a home for the Essex Scottish regiment, which, in these latter days, served with such sacred distinction at Dieppe and subsequently in the European theatre of war. To meet the needs of the mechanical age there has also grown up in our area another unit known as the 30th Reconnaissance battalion, largely because of the considerable number of mechanical technicians in that area. During the last war this unit served with pre-eminent honour to our country in North Africa, Italy and the central European theatre. Since there were no quarters wherein to mobilize or train, arrangements were made for this unit to use the armouries already occupied by the Essex Scottish regiment. By keeping the unselfish goal of national service always before them, these two units have worked and prepared side by side in a phenomenal manner. It is to be hoped that, within the not too distant future, ways and means may be found for a new structure ample enough to meet the needs of both units of the active forces and to permit their expansion, as is befitting their importance.

War is not inevitable. Canada neither seeks it nor shuns it. We, however, are going to be prepared to defend ourselves to the limit. While we must take every step possible in a material way by expanding our navy, by training our soldiers, and by building up our navy and air force, yet there is another defence that we must consider. This defence must begin with the individual, with the family in the home.

In the final analysis, we spend huge sums for the protection of the individual. But this protection is superimposed on the individual from outside his consciousness, while much self-protection can be achieved by the individual.

The breeding ground for subversive activities is ignorance and misunderstanding, and this applies to our governmental system and the various departments of government. The Post Office Department has realized that the public should be kept fully informed, and has appointed public relations officers to many leading offices across Canada. These officers have done a most remarkable job in disseminating information concerning all their activities, and have enlisted public support for their requests. Would it not be well for all branches of government to have trained public relations officers assigned to all main offices? Surely in an atmosphere of understanding, industry and co-operation, communism cannot breathe.

People everywhere, under the surface of custom, are fundamentally much alike. Some are good, some are indifferent, and the great majority are in the middle, just as in any family. It is our duty to stand side by side, strengthening and guiding those who are weak or would be misled.

The world is like a family into whose membership all sorts of strange people have been suddenly and permanently introduced. We must, therefore, try to discover the virtues in the members of our family and to enlist their loyalty.

The one great shining hope is that practical necessity may bring to practical application the truth, which every great moralist through the ages has preached in futility, that "men are brothers". What if one of the family does insist on sowing his solitary patch of wild oats? Let us maintain the family, and when the prodigal returns, as he usually does, he will find a warm welcome.

We are indeed more than pleased to observe with what enthusiasm and ability the Minister of Reconstruction and Supply (Mr. Winters) has assumed his new duties, which had formerly been so ably administered by the Minister of Trade and Commerce.

The 275,000 houses which have been built in Canada in the last four years have probably set a record for any similar period. Of this number, approximately 100,000 have been built directly by crown companies or with government financial assistance.

In 1948 there were about 83,000 units completed, of which about 9,000 were government rental units. This year, we are informed the minister has set a higher goal and hopes to complete 11,000 rental units, which is about 2,000 more than last year.

This is good news to the many veterans and civilians in my constituency, as I am sure it is to many other constituencies in which there are people living in most unsatisfactory accommodation.

Since the success of such federal building projects depends so much on provincial and municipal co-operation, we feel sure that continued assistance will be accorded the minister in this field.

The constituency which I represent, Mr. Speaker, is appreciative of the invitation which the Prime Minister has extended to me to move the adoption of the address in reply to the speech from the throne. The constituency of Essex West is an urban constituency, comprising the former city of Windsor, as it was constituted prior to amalgamation, the contiguous former town of Sandwich, and the suburban township of Sandwich West. It also includes the towns of La Salle and Ojibway.

Windsor's geographical position has a peculiar interest in that it is the only Canadian city which is directly south of a part of the United States. It is connected with the neighbouring metropolis of Detroit, Michigan, by tunnels, bridge and car ferries. Thirty-five years ago the city of Windsor was a quiet city of about 16,000 people, but today it has a population of approximately 125,000. Two small Indian villages were the first beginnings of the border settlements. They were at the terminus of Indian trails which crossed Essex county and terminated at the narrowest point of the river, the most convenient crossing place.

What the Indians recognized as a strategic point was also realized by the first white visitors. In 1701 the French first arrived at this point, and this French settlement grew gradually until 1763, when the English first entered the settlement. Since then these two races have grown side by side. The coming of the British settlers into the Detroit river area was the beginning of the cosmopolitan atmosphere of that district.

Windsor, being located on the international boundary line, has naturally developed into a cosmopolitan centre, part American and part Canadian. It has offered many advantages for the location of industries from the United States in that it is the Canadian city closest to most of the main offices of the mid-west centres. It has quick and efficient transportation lines by rail, water and air, which has allowed the executive and the technician to cross back and forth expeditiously.

As a focal point for transportation, Windsor is the open end of the bottleneck of western Ontario which juts southwardly into the United States. It is located on the most heavily laden inland waterway in the world, the Detroit river, with a channel depth of about forty feet, carrying an average of about 81 million tons of freight annually. This is more freight than is carried by the Panama and Suez canals combined.

Manufacturing in Windsor has the international flavour, its basis being American plants, located across the border, supplying the Canadian and British empire markets. The industry of Windsor plays a magnificent role in Canada, based largely on the automobile trade. It also has the largest concentration of pharmaceutical industries in the British empire, as well as its large salt and chemical plants. Windsor is also the home of the Windsor *Daily Star*, which is widely read throughout Canada, and is most favourably known in this house, and for many given periods has been the most quoted daily newspaper in Canada. There, too, we have radio station CKLW, which is the voice of Canada to millions of Americans.

May I through you, Mr. Speaker, on behalf of the constituency of Essex West, extend to the right hon. the Prime Minister a most cordial invitation to visit at an early date our part of the country, the sun parlour of Canada.

(*Translation*):

Mr. Speaker, I should like to speak in French but I regret my inability to do so.

(*Text*):

I have the honour and privilege of moving, seconded by the hon. member for Laval-Two Mountains (Mr. Demers):

That the following address be presented to His Excellency the Governor General:

To His Excellency the Right Honourable Viscount Alexander of Tunis, Governor General and Commander in Chief of the Dominion of Canada.

May it Please Your Excellency:

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

(*Translation*):

Mr. Leopold Demers (Laval-Two Mountains): Mr. Speaker, I was deeply moved yesterday when I came into this house for the first time. May I be allowed to share my joy and happiness with the constituents of Laval-Two Mountains who placed their confidence in me on December 20 last. I also wish to thank the Prime Minister for the very great honour which he bestowed upon me in asking me to second this motion.

An analysis of the Liberal victory in Laval-Two Mountains clearly shows that it was

due to three specific factors: first, the eager wish of the people of that constituency to give the Liberal party, of which I have the honour of being a member, a living token of their gratitude; the skill of the Hon. Joseph Jean who recently became Liberal leader in the province of Quebec; finally, and more particularly, Mr. Speaker, the prestige, the exceptional qualities of a great Canadian, the Liberal leader and Prime Minister of our country, the Right Hon. Louis S. St. Laurent.

Mr. Abbott: Hear, hear!

Mr. Demers: The long awaited news of a royal birth, that of Prince Charles of Edinburgh, over which the whole Christian world rejoiced, came last November.

Reverence for the great family that has ruled the British people for many long years with such dignity filled the hearts of all who are devoted to the family tradition. We cannot cease to marvel that the royal family boasts four living generations in this, the twentieth century, when so many thrones, unsteadied by the troublesome events of our day, have toppled over.

It seems that the Almighty has preserved to this throne the power with which it was endowed from above because those who exercise it know their duty as sovereigns and carry it out worthily.

To Their Majesties the King and Queen, to their children, to the new-born Prince, health and long life.

Canada, Mr. Speaker, has been fortunate in being served, governed and administered by men of faith and fortitude, and today we are envied the world over. No country has had more humble beginnings, and yet Cartier, his work well done, uttered the words which are still sung today: "Nothing is so beautiful as one's native land." Gazing over the results of fifteen years of government and looking back at the road he had traveled, Laurier exclaimed: "The twentieth century shall be Canada's century." We have not yet reached the year 1950 and already the twentieth century is Canada's century. In 1908, when Mr. Mackenzie King was first elected to parliament, one half of our present population was still unborn. We had but just recently ceased being a colony. The first impetus had been given by Laurier, but nearly everything remained to be done. Mr. Mackenzie King did it, and did it well.

Mr. Martin: Hear, hear!

Mr. Demers: Through his tenacity and perseverance, we have acquired such highly-prized assets as political freedom, social security and national sovereignty. He has placed our country on the map of the world. His love of humanity has inspired a whole program of social legislation which arouses the admiration of strangers and ensures the happiness of Canadians.

I do not wish to anticipate the judgment of history but, when time has passed over the memory of political conflict, of those injustices and calumnies which have been his lot and which he has supported with such patience, I am sure that history, in its finest pages, will reckon him a man of destiny. Time, no respecter of fine things, has unfortunately not spared him. It was with great misgivings that, last fall, every true Canadian learned, from Mr. Mackenzie King's own mouth, that he was about to transfer to someone else's shoulders the weighty mantle of honours. It was then that from every part of the country came Canadians, not only to choose a new political chieftain for a party proud of its past, in which it finds inspiration for the future, proud of a name it has never changed, proud of a flag it has never abandoned and which it will keep for those days of victory which should not be long in coming, but in order to choose a chief for our government.

All these Liberal Canadians were aware of their responsibilities. They knew the hour was grave, that Canada had to keep marching gloriously toward its destinies, that we had to choose a prime minister who would carry on the work which was so well begun.

A man whose worth is already recognized the world over was chosen as leader: he is the Right Hon. Louis St. Laurent. His talents, his experience, his patriotism and his great Canadian spirit had already won the confidence and respect of his fellow citizens.

In order to guarantee to the Canadian people the liberty, security and unity which they need so much, in order to allow our country to play its part in the national as well as in the international field; in order to destroy the universal enemy who seeks to spread everywhere his diabolical philosophy, communism, that heresy of the century which the history of the world will consider as the greatest humiliation to the human mind, could we have found a better man than Mr. St. Laurent? Immediately on his coming, we note a widening of our horizons and Newfoundland becomes our tenth province, thus completing this country and consolidating its boundaries; in order to protect themselves against Russian imperialism, the Christian nations concur in Mr. St. Laurent's views and undertake to enter into an agreement called the Atlantic pact, thus forming the greatest co-operative peace movement the world has ever seen. He has been successful in convincing other nations that the intelligent organ-

ization of an equitable and lasting peace is far less costly than war. That peace policy, Mr. Speaker, is nothing but the response of Christian people to the appeals of Christian conscience. I do not doubt that if the message directed to the whole world by Pope Pius XII on Christmas day were heeded, the clouds of uneasiness which hang over us would soon vanish.

The splendid speech we heard yesterday from His Excellency, the King's representative, includes also the announcement of measures designed to secure more sovereignty for our country and more happiness and peace for her citizens.

The abolition of appeals to the privy council is indeed a giant stride towards a more complete autonomy. The highest court before which any Canadian may appear to get justice shall be right here in Canada. The maintaining of rent control by the federal government, if the provinces want to elude their responsibilities, is another measure ensuring greater security to our people and especially to our working class. Farmers, who are the foundation of our national life, also get special attention from the government so that they may continue to be happy citizens, loving their farms, their province and their country, and playing nobly the providential part with which they have been entrusted.

All those measures contained in the speech from the throne and upon which I shall not dwell, knowing full well that all hon. members of this house will have an opportunity to discuss them in their smallest details, clearly show the government's earnest wish to promote the best interests of the Canadian people.

The leader of the government needs the good will of all in order to carry on his work of pacification and lead this country towards a better future. Whatever may be our origin or creed, we owe a duty to our country. For my part, I may say that I am proud to be a French Canadian, I am proud of my religious and political leaders because I know what a generous part they have taken in the building up of this country. I also know that the same applies to my English-speaking fellow citizens; they are proud of their religious and political leaders who have achieved so much for the cause of freedom, not only in Canada but throughout the world.

Together we have rights and privileges, protected and guaranteed by constitution and statute.

If Canada is to be a better and bigger country tomorrow, its two great component races must keep on living in harmony, understanding and mutual respect.

(*Text*):

In closing I should like to say a few words to my English-speaking Canadian friends, to tell them that I am proud and happy to be here today. I am proud to be a Canadian; I am proud of my leaders, both in church and in politics, because I am aware of the contribution they have made to our country.

I know, too, that English-speaking Canadians have every right to feel the same about their leaders, who have been the champions of liberty throughout Canada and the world. All of us should be thankful for our respective rights and privileges, which are protected by our constitution and our laws. Tomorrow, if we desire to have a more prosperous Canada, these two groups, the English and French speaking Canadians, along with minorities, have only to continue to live and work in harmony, good understanding and mutual respect.

(*Translation*):

Mr. Speaker, I thank you heartily for the indulgence and generosity with which you have listened to me.

An hon. Member: Hear, hear!

(*Text*):

On motion of Mr. Drew the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. St. Laurent moved the adjournment of the house.

He said: Tomorrow there will be some formalities with respect to some of the resolutions appearing in today's *Votes and Proceedings* so that they may be advanced one stage. Then we will proceed with the debate on the address. As to the motion in *Votes and Proceedings*, if I may have unanimous consent I will ask that it be modified by changing the dates to the corresponding dates one week later.

Motion agreed to and the house adjourned at 4.55 p.m.

HOUSE OF COMMONS

Friday, January 28, 1949

The house met at three o'clock.

HOUSE OF COMMONS

AUDIBILITY OF DEBATE—QUESTION OF USE OF PUBLIC ADDRESS SYSTEM

Mr. Maxime Raymond (Beauharnois-Laprairie): I rise on a question of privilege. I believe it is the privilege, or rather I should say the right, of every member sitting in this chamber to be able to hear the speeches delivered in this house. Unfortunately those who sit in this corner and those who are sitting in the corner opposite cannot do so; and I may add without fear of contradiction that at least fifty per cent of the members of this house are unable to hear most of the speeches made in this chamber. As a result they are unable to understand not only the speeches but the conversations, which take place at the opening of almost every sitting, between the leader of the government and the leader of the opposition, and this means that we must wait until the next morning to read in the newspapers or in *Hansard* what took place the previous day.

Many times the attention of the former leader of the house was called to this condition, but to no avail. Now that we have a new leader of the government I would ask him to consider this matter very seriously. I have no doubt that it will be easy to convince him, for no later than yesterday, when the mover of the address in reply to the speech from the throne, the hon. member for Essex West (Mr. Brown), began to deliver his speech, the Prime Minister left his seat and came to this corner in order that he might follow what was being said. I hope some action will be taken in the very near future.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the hon. member is quite right; the acoustics of this chamber are bad, though they are not worse than they have been for the thirty years this chamber has been in use. Yesterday, as the hon. member has just recalled, I did move from my seat to the other corner of the house in order that I might enjoy the magnificent addresses being made on the motion to present an address to His Excellency in reply to the speech from the throne. The acoustics are no better in this part of the house than they are in the other corners, and when speeches are being made from the far corner it is just as difficult for those of us who habitually sit here to follow them closely as it is for my friends in those sections of the house to follow closely what is being said at this end.

This unfortunate circumstance has been long known to all members of the house. I am sure it has not escaped your attention, Mr. Speaker, for, if I am not mistaken, over the last three years you have investigated systems designed to improve the acoustics in legislative chambers in other countries. My understanding is that you have not so far found in use anywhere a system which was sufficiently appropriate to justify your recommending it to the members of this house. I hope that before long it will be possible for you to find somewhere a system which you will feel justified in recommending to your colleagues in this chamber to improve the situation in regard to acoustics.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, as a newcomer here and as one who—

Some hon. Members: Louder.

Mr. Drew: As a newcomer here and as one whose voice is not ordinarily regarded as unduly weak, I must confess I have noticed some difficulty in hearing the speakers in this chamber. As the member for Beauharnois-Laprairie (Mr. Raymond) was bringing this matter to the attention of the house, I had great difficulty in hearing what he was saying. I do feel it is not necessary to explore very extensively the possibilities of solving this problem because it has been solved, and effectively solved, in the chamber of deputies in Paris and in the legislative assembly in Rome where there is, in fact, loud speaker equipment between every two desks by means of which a loud speaker can be installed when anyone is speaking.

There would be no practical difficulty of any kind in installing a small microphone, which would not be unduly expensive, between every desk in this chamber so that every member, everyone in the gallery, and perhaps most important, every member of the press gallery would be able to hear what was said.

Mr. Speaker: It is not the practice of the speaker to enter into a debate—

Some hon. Members: Louder.

Mr. Speaker: —and it is not my intention to do so. As the Right Hon. the Prime Minister has already said hon. members may be

assured that representations have been made to me in this regard by members of the house, members of the press gallery and visitors to this house. I would be very pleased if a system could be found which would give satisfaction. I think it is my duty, though, to call the attention of the hon. leader of the opposition to the fact that one of the difficulties in adopting the method used in the French house or the Italian house or even in the congress of the United States is the fact that in most of these places the members speak from a rostrum. This means only one microphone need be connected to the loud speaker.

Here, the problem is quite different, but the hon. members may be assured that they have all my sympathy. The Speaker experiences considerable difficulty in hearing what is going on in the house. I will do everything possible to give you satisfaction, though I consider it my duty not to recommend an expensive installation which would not give satisfaction. You may depend upon it, however, that I will do my very best, in consultation with the proper officials, to make a recommendation satisfactory to all hon. members as soon as possible.

Mr. Drew: Perhaps you will permit me to say a word in view of the fact that you have referred to what I have said. In the French and Italian chambers the ministers speak from the rostrum, but the members speak from their seats. I believe that system would work here.

SUPREME COURT ACT

VARIOUS AMENDMENTS—ABOLITION OF APPEALS TO PRIVY COUNCIL

Hon. Stuart S. Garson (Minister of Justice) moved for leave to introduce Bill No. 2, to amend the Supreme Court Act.

Some hon. Members: Explain.

Mr. Garson: This bill comprises a number of amendments the purpose of which is to clarify existing sections in the act; they involve no change in principle. There is, however, one notable change, and that is the proposal to abolish appeals from the Supreme Court of Canada to the privy council.

Motion agreed to and bill read the first time.

CRIMINAL CODE

CANADIAN CITIZENSHIP ACT—ORGANIZATIONS ADVOCATING OVERTHROW OF CONSTITUTED AUTHORITY

Mr. Wilfrid LaCroix (Quebec-Montmorency) moved for leave to introduce Bill No. 3, to amend the Criminal Code (illegal organizations) and the Canadian Citizenship Act (loss of Canadian citizenship).

[Mr. Speaker.]

Some hon. Members: Explain.

Mr. LaCroix: Mr. Speaker, in explanation may I say that a new item has been added to this bill, which is well known to the hon. members of this house. Article 98A of the Criminal Code has been amended as follows:

(1) It shall be unlawful for any person:

(a) to attempt in any manner to establish in Canada a totalitarian dictatorship the direction and control of which is to be vested in, or exercised by or under the domination or control of, any foreign government, foreign organization, or foreign individual;

(b) to perform or attempt to perform any act with intent to facilitate or aid in bringing about the establishment in Canada of such a totalitarian dictatorship;

(c) actively to participate in the management, direction, or supervision of any movement to establish in Canada such a totalitarian dictatorship;

(d) actively to participate in the management, direction, or supervision of any movement to facilitate or aid in bringing about the establishment in Canada of such a totalitarian dictatorship;

(e) to conspire to do anything unlawful by this subsection.

I want to add one remark, Mr. Speaker, and it is this. If the C.C.F., as I hope, is in no way connected with communism—

Some hon. Members: Order.

Mr. LaCroix: —the members of that party will surely not make lengthy speeches on this bill, as they did last year, but will allow it to reach a vote.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL FLAG

PROVISION FOR FLAG TO BE DECLARED THE NATIONAL FLAG OF CANADA

Mr. Roland Beaudry (St. James) moved for leave to introduce Bill No. 4, respecting a national flag for Canada.

Some hon. Members: Explain.

Mr. Beaudry: The purpose of the bill is to provide for a national flag for Canada. The description of the flag is appended in a schedule to the bill. I hope that within a few days I shall have the privilege of distributing to the members of this house a facsimile of this flag.

Motion agreed to and bill read the first time.

NEWFOUNDLAND

APPROVAL OF TERMS OF UNION WITH CANADA

Right Hon. L. S. St. Laurent (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill for the approval by parliament of the terms of union of Newfoundland with Canada. The implementation

of these terms will involve a charge upon and payment out of moneys in the consolidated revenue fund of Canada.

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

Motion agreed to.

FOREIGN EXCHANGE CONTROL ACT

CONTINUANCE IN FORCE UNTIL SIXTY DAYS AFTER OPENING OF FIRST SESSION OF PARLIAMENT IN 1951

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

That it is expedient to present a measure to provide for the continuance in force of the Foreign Exchange Control Act until sixty days after the commencement of the first session of parliament commencing in the year 1951.

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

Motion agreed to.

AGRICULTURAL PRODUCTS ACT

EXTENSION OF OPERATION FOR A PERIOD OF ONE YEAR

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

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

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

Motion agreed to.

FISH INSPECTION ACT

FISH AND FISH CONTAINERS—MARINE PLANTS —EXPORT AND IMPORT REGULATIONS

Hon. Robert W. Mayhew (Minister of Fisheries) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a measure for the purpose of regulating the export and import of fish and fish containers and the export of marine plants, and the appointment of inspectors and other officers and employees required for the proper administration of the act.

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

Motion agreed to.

Proposed Legislation

TRANSITIONAL MEASURES ACT, 1947

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

Hon. Alphonse Fournier (Minister of Public Works, for the Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war.

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

Motion agreed to.

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT BUSINESS— MONDAY, FEBRUARY 7, TO FRIDAY, FEBRUARY 18

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That on and after Monday, January 31, 1949, and every sitting day thereafter until and including Friday, February 11, 1949, government notices of motions and government orders shall have precedence over all other business except introduction of bills.

He said: In referring to this motion yesterday I stated that if I had the consent of the house I would ask that there be substituted, for the dates January 31 and February 11, respectively, the dates February 7 and February 18. On referring to the rules, however, I find that the regular way to handle the matter is not by amending my own motion but by presenting it in its present form and leaving it to some other hon. member to propose the proper amendment, if he sees fit to do so.

Right Hon. J. G. Gardiner (Minister of Agriculture): I move:

That the motion be amended by replacing in the first line thereof the words "January 31" by the words "February 7," and by replacing in the second line thereof the words "February 11" by the words "February 18".

Mr. Drew: Mr. Speaker, before any remarks are made in connection with this motion, I think the house should have some indication of the reasons why there is any cause to consider it at the present time. I would point out that yesterday afternoon the Prime Minister said that in any event it was the intention of the government to proceed during the coming week with the debate on the address in reply to the speech from the throne. For that reason there is no evidence of any necessity for

the consideration of this motion this afternoon. Certainly nothing has been put before the house which would suggest any reason for supporting such a motion.

Mr. St. Laurent: The reason for making the motion is to determine now that on February 7 we may proceed with the resolutions and legislation necessary to implement the agreement for the union of Newfoundland with Canada. It is an express term of that agreement for union that it will come into force and bring about the union if there is assented to, by His Majesty, a bill of the parliament of the United Kingdom confirming legislation passed by this parliament and by the government of Newfoundland ratifying the terms of that agreement. That procedure requires that there be in this house first of all a resolution, the one that was mentioned first under the heading "government notices of motions" today. That resolution is necessary before any bill can be introduced, because a bill to confirm the agreement will impose charges upon the consolidated revenue fund. Then the bill itself must run the gauntlet of the usual stages of procedure in this house and in the other place before it can become the law of the land. It is felt that it would be undesirable to have the matter dealt with at all by the parliament of the United Kingdom until the parliament of Canada has expressed the views of the people of Canada with respect to the union. Before the parliament of the United Kingdom will attempt to deal with the matter at all, in order to comply with the terms of the statute of Westminster there will be required a joint address of this house and of the senate asking His Majesty to lay before the parliament of the United Kingdom a bill embodying the proper legislation.

When I was over in London some months ago I had some discussion on this subject with members of the government of the United Kingdom, and I was told that they would like to have not less than three weeks to deal with the legislation in their houses of parliament after the proceedings had been completed here. It is therefore urgent, I think, that we reach this matter and ascertain, at as early a date as possible, the views of the parliament of Canada upon the terms of union that were signed last December. It was for that reason that, when I announced to the gentlemen of the press the date that was fixed for the session, I explained to them that we were calling parliament together on a Wednesday instead of a Thursday, as had been done in several previous years, so that there might be a couple of days of debate on the address before we asked parliament to suspend the debate and deal with the matters concerning Newfoundland, as it had been our intention to ask parliament to do at the time specified in the motion as printed on the order paper.

When notice of this motion was given I found that there were many members of parliament on both sides of the house who felt that it was not necessary to commence on January 31 in order to have the Newfoundland proceedings properly dealt with in time, and that they wished to have at least another full week of debate on the address before adjourning it.

It is my view that we do generally make better progress in dealing with the substantive business of parliament if we do not have too many disputes over matters of procedure, and I would take it for granted that we would be probably just as far advanced with the Newfoundland matter after a week or two if we met the wishes of hon. members who wish to have an additional week to debate the address.

The reason for bringing the motion forward is to have it fixed, that we will start on this matter on February 7, and to inform the law officers of the United Kingdom of this change, which we hope will not necessarily mean that we shall be delaying them in putting before them, if parliament approves of the agreement, the required material so that it can be dealt with in orderly fashion in the United Kingdom parliament.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, first of all may I assure the Prime Minister (Mr. St. Laurent) and hon. members that on any procedural matters that will facilitate the business of this house he will find the full concurrence of myself as leader of the opposition and those associated with me; but that concurrence does not extend to the point of departing from well established practices, for which departure no substantial reason can be offered. The reasons now presented by the Prime Minister offer no justification whatever for presenting this motion today. I would point out that throughout the whole record of the House of Commons, not only in this chamber but in other chambers in early buildings since confederation, in the majority of occasions on which the debate on the speech from the throne has proceeded without interruption it has actually been completed within the time which would elapse between now and next Friday.

Some hon. Members: No, no.

Mr. Drew: Some hon. members, of course, are basing their views on recent experience, which is not traditionally the experience of this house, if they examine the record.

[*Interruption.*]

I do not wonder that hon. members at the other end of the chamber have difficulty in hearing the debate when it seems so difficult for some hon. members to keep their own thoughts inaudible.

The motion that is before the house at the present time is one which has the effect of terminating the debate on the address before anyone in the house knows whether in fact it will still be going on next Friday. It is a very easy matter to examine the record of *Hansard* and to ascertain that postponing the debate and then reviving it, and thereby bringing back the subject matter that was under consideration, inevitably prolongs the whole debate. But there are other reasons why this motion should not be accepted by hon. members without a great deal more explanation than has been offered. The date on which agreement was called for between the parliament of Canada and the representatives of Newfoundland, described in the agreement as the government of Newfoundland, was March 31. That date was decided on before the government had fixed the date of the session. If there was any reason to believe that additional time was needed it would have been very easy to have fixed an earlier date for the opening of the session so that the debate on the speech from the throne could have proceeded in an orderly way to its customary termination without interruption, such as is now suggested.

It is difficult to imagine what the urgency is which suggests that it is necessary to have this bill considered a week from Monday, particularly when more than two months will still elapse between the date on which agreement is required and today. After all, there is no reason to suggest that any extended delay will be involved in presenting the views of this house to Westminster, because it is inconceivable that the government of Canada has not already presented all the facts to the government of the United Kingdom other than the appropriate indication of such decision as may be reached by this parliament. That being so, the time that is suggested as being necessary for these proceedings seems to bear no relationship whatever to any reasonable requirements to deal with this matter in the ordinary way.

There is of course another and very much more cogent reason why this motion should not be accepted by hon. members. The rules of this house are not different from the rules of any other house. Please do not think for one moment that I am unaware of the tactics that can be employed in delaying the consideration of a debate on the speech from the throne, because if it is delayed the government finds an opportunity to introduce a number of extraneous subject matters which in their opinion will divert public attention from the inadequacy of the statements in the speech from the throne and from the weaknesses in the position of the government. I am certainly convinced that this is the reason the adjournment is sought, rather than the reason that has been suggested in the house today. It will of course be very convenient if the striking omissions from the speech from the throne are supplemented by appropriate statements from day to day by various ministers who will make those bright promises which the minister of reconstruction does not think are as useful as they once were.

But these can go on from day to day in the intervening period. And of course it would appear that the Minister of Finance (Mr. Abbott) holds a similar view. These can go on indefinitely—and this is nothing new. I think the hon. members of this house not only on the opposition side but on the government side should seek to have an explanation on the one hand in regard to certain statements, which are extremely vague, in the speech from the throne and—

Some hon. Members: Order.

Mr. Drew: I will debate it on the appropriate occasion.

An hon. Member: Speak to the motion.

Mr. Howe: Are you speaking on the speech from the throne?

Mr. Cruickshank: I thought you knew the rules.

Mr. Drew: I think it is very obvious that a number of motions can be padded out with various statements that can be introduced on the one hand by presentation to the house, and on the other hand by those interesting pieces of information which appear in the press throughout Canada, without any names attached to them, stating that the press is authoritatively informed from someone very close to the minister that such and such a thing is going to be done.

There is of course a still further reason, and one which, it seems to me, is very difficult for some hon. members opposite to dispute: that is, that the debate on the speech from the throne is no mere formality, as some people seem to suggest from time to time. It is in fact the most important debate in many cases which will take place in any legislative assembly. Because, under the practice established here, as in every other parliament or legislature within the commonwealth, the debate on the speech from the throne offers an opportunity to the house to say by its vote whether the government still commands the confidence of the House of Commons. It may be a comfortable assumption on the part of the government that they

can look at the list of members and count every vote according to the places where they seat themselves in the house. But if any house of commons or legislative assembly reduces itself to a position where individual discretion, intelligence and conscience mean nothing, then there might just as well be no recorded vote at all, and the vote might just as well be taken from the printed sheet.

The fact is that members of this House of Commons and other legislative bodies in the country have demonstrated that measure of independence which is the hallmark of free parliaments. There is no reason on this or any other occasion to assume that merely because of the tag on which a member was elected he is simply to become a servile digit to be named by the leader of his group, without any respect for his own conscience, when some subject is before the house.

The practice is very well established, and on this occasion I think it would be well if I were to place before the house the opinion of a member whose virtues have been loudly extolled by a number of hon. members opposite as one who understands the real meaning of parliament, and of this parliament particularly. I would quote the words of the right hon. member for Glengarry (Mr. Mackenzie King). It is true that we have not always agreed on every subject; but in this instance surely I can offer to hon. members opposite no better advice than that of the man for whom they have shown such unreserved respect in these past few days and for whose opinion they have the highest regard.

Therefore I should like to read what the right hon. member for Glengarry said in 1921, as it is reported at page 151, volume I of *Hansard* for that year. These words, it seems to me, set forth the very core of the consideration that should be in our minds. I shall quote his words, and these will be his words until I have indicated that the quotation is ended:

> We take the position that without the confidence of this house and of the country they are not entitled to introduce a bill or to spend a dollar; and unless my right hon. friend can show us some precedent for adjourning the debate on a motion of want of confidence in the government to take up another matter, we would be justified I think in adhering to the position which we have taken from the outset, namely that the government lacks the confidence of the country, and therefore is not entitled to proceed with any legislation.

There the quotation ends.

The mere fact that the want of confidence motion has not yet been moved varies in no way the effectiveness of this statement—because the only reason there is no want of confidence motion before the house is that this motion has been introduced before the debate has been resumed. The view put forth there by the right hon. gentleman is one in which I think all hon. members might well concur; because if for any reason members in the house do not support the government, then the government may well have committed itself to a course with which it had no right to proceed, unless that confidence has once been established.

There may of course be varying reasons. We would simply not recognize reality if we were to say that there could be no occasion upon which some emergency situation might arise where a motion of this kind might be called for, if the debate were to be unreasonably protracted. But no such situation arises now. The debate is going on next week, by decision of the Prime Minister (Mr. St. Laurent) and his colleagues. That being so, until there is any indication whatever that an emergency actually presents itself, and the debate is in fact proceeding next Friday, there is no reason whatever to support the motion. It should be opposed in principle in any event. But even without that, the motion is wholly unnecessary, and therefore it is opposed.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, when the proposal was first made that the debate should be interrupted from today, my colleagues felt the request was one we could not approve. The government, however, has compromised to this extent, that next week the debate on the address will continue, and that at the end of next week we shall take up the matter of union with Newfoundland.

I think it is unfortunate that this debate must be interrupted, but my experience in the twelve years I have been here is that normally the debate on the address lasts anywhere from three to six weeks. I realize that there is great urgency in connection with the Newfoundland agreement, but that urgency arises because of a situation not in our own country or in our own parliament but in the British parliament. May I say that that is the reason why we shall support the amended resolution that has been introduced this afternoon. At the moment the British house is engaged in many important matters dealing not only with their own grave domestic situation but with the international situation as well. I think we owe it to them, if they require at least three weeks to deal with this matter, to see that they have ample time in which to consider this agreement, which according to newspaper reports will be opposed by some members of the opposition in the British House of Commons.

While we dislike these interruptions of the debate on the address, on this occasion we think that the government has a better reason

for asking for an interruption than it has had on any other occasion I can remember. When we first saw the request made by the government we felt, particularly in view of the experience of last year, that we should hesitate and consider carefully whether we should consent to such an interruption. From time to time, however, it is necessary that those of us who are in opposition should view matters of government convenience, particularly when they involve courtesy to another parliament, in a broad way. I repeat that we have decided to support this amended resolution.

I would remind hon. members that many weeks ago, in the autumn, we asked that parliament be called to deal with matters of urgency, and of course this has become one of the matters that could have been dealt with had parliament been called before Christmas or earlier this month. This is the criticism I make of the government at the moment—that the session should have been called earlier. But it was not called earlier, and we are now faced with the necessity of giving consideration to union with Newfoundland. After all, this is a most important event in the history of this country—the addition of a new province, something which was contemplated by the fathers of confederation as long ago as 1867 and, in relation to what will be the tenth province, is about to be consummated in 1949.

I say again that we dislike interruptions to the debate on the address. We believe that this interruption could have been avoided by calling parliament earlier. But since parliament was not called, since the union of Newfoundland with Canada is an important matter which should be dealt with, and since we should give the British parliament ample time in which to deal with it and to plan its work, we will support the amended resolution.

Mr. Roland Beaudry (St. James): Following the words of the hon. member for Rosetown-Biggar I should like to ask the hon. member for Carleton (Mr. Drew) if he suggested earlier that parliament should have been convened sooner, for instance at a time when it was impossible for the leader of the opposition to have a seat in this house?

Mr. Graydon: The hon. member did not make history with that remark.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I have listened to the explanation of the Prime Minister (Mr. St. Laurent), and to the arguments advanced by the leader of the C.C.F. (Mr. Coldwell). I agree with the hon. member that everything should be done to enable consideration at the earliest possible day of the resolution with regard to the admission of Newfoundland into confederation. With him I agree also that that event will represent a step forward in the completion of the destiny of this dominion. In that regard I am in agreement with him; but he failed to answer the argument advanced, and the government has as yet not answered the argument of the leader of the opposition (Mr. Drew), that first and foremost the government of this country must have the confidence of the House of Commons.

This resolution carries out an old plan; there is nothing new about it. Parliament could have been called three weeks ago, if not before, and this matter could have been determined.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I cannot hear the interruptions, so I shall not say anything in reply. It was most interesting to hear the interrupters on the other side of the house when my leader said that the debate on the address in reply to the speech from the throne might be determined within a week. They ridiculed that statement; they jeered.

An hon. Member: Certainly they did.

Mr. Diefenbaker: My hon. friend the leader of the C.C.F. says that it will take anywhere from three to six weeks to complete that debate. Having regard to the fact that an election is not too far away, I have no doubt that this debate will take a considerable time. If so, the responsibility rests upon the Prime Minister for failing to call parliament together early enough to have this matter determined.

Mr. McIlraith: Even without a leader of the opposition?

Mr. Graydon: You will get plenty of him before you are through.

Mr. Diefenbaker: During the days of the war we in the opposition co-operated with the government at all times.

Some hon. Members: Oh, oh.

An hon. Member: Explain.

Mr. Diefenbaker: In relation to anything having to do with our war effort, the words of the hon. member for Carleton were to that effect. During the war there were invasions of the rights of a free parliament, but we of the opposition intend to be assured that they shall not be continued in the days of peace. More than anything else the people of this country are asking that parliament be restored to the prestige that it enjoyed in the years prior to the war. They are asking that parliament shall not continue in living stagnation while government by bureaucracy continues in this country. They are asking to have restored the right of the people's representatives

to preserve the rights of the people and to represent all the people in this country. I congratulate my right hon. friend upon becoming Prime Minister, but I say to him that his duty as the leader of this government, with the reshuffling of the cards that has taken place and the addition of certain members to the cabinet, is to demand at the first opportunity a vote of confidence, thus giving to hon. members the opportunity to determine the question once and for all.

I do not want to be over-critical—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I said over-critical; but I do say to my right hon. friend that in the last couple of days the government has shown an uncertainty, a lack of unity, and a failure to realize in what direction it is going except in the direction of an election. We have the right to know whether my right hon. friend and those associated with him have the confidence of this house. The people want the members of this parliament to have an opportunity to let the government know that its taxation policy is wrong, that its income tax is unjust. When I say this I speak for the farmers. The government says it has the confidence of the people. The farmers want an opportunity of having their lack of confidence in this government placed before this house, because that lack of confidence extends from one end of the country to the other.

My hon. leader says members of parliament are not mere digits to be pushed about, to be directed. Not since the end of the war was there a finer declaration of the principles of parliament and what it stands for than was contained in the words of my hon. leader this afternoon when he pointed out that, regardless of our position, we in this house have a responsibility which can be discharged only when each of us individually votes on the question of confidence or non-confidence in the government. I say to my right hon. friend that he should give the members of this house an opportunity of saying to him and to those associated with him—and I should think they would want it—whether this house has any confidence in them, before they proceed with notices of motions and resolutions calling for the expenditure of millions of dollars. On one occasion the right hon. member for Carleton expressed similar views.

Some hon. Members: Glengarry.

Mr. Diefenbaker: Glengarry has been represented so often by leaders of the opposition and prime ministers that it is easy to understand the mistake I just made. I say, sir, that the house should be given the opportunity of declaring whether or not it has confidence in this government. My right hon. friend should not translate into the days of peace the conduct of parliament in the days of war, which all too often was contrary to the highest principles of constitutional government. We on this side intend to do our utmost to see that the invasions of parliamentary rights, which were pathways in the days of war, do not become permanent highways of peace.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I am glad hon. members opposite are beginning to show some evidence of awakening from their normal lethargy, and I trust that this degree of awakening will extend also to the rights of this house which are placed in jeopardy by the motion now under debate. It would be a happy day indeed if we could see on the part of hon. members to your right, Mr. Speaker, some degree of concern for constitutional practices and the preservation of the rights and responsibilities of a free parliament.

Let no one underestimate the importance of the subject now under discussion. It is not a mere question of procedure for today or procedure for Monday. What is at issue here goes far deeper than that. It is procedure measured in terms of the duties and responsibilities of the executive branch of government to this house. Is the government supreme? If so, it matters little what happens here, and certainly the motion should pass. If, however, the house is supreme, then it is the house that should determine the order in which business shall be taken up; and above all things, before this government is permitted to lay any business before the house, it must establish, in the recognized constitutional manner, that it possesses the confidence of the house. Under conditions now obtaining in this house and this country the government has no right to lay before this chamber one item of government business calling for a decision without having established that it does possess the confidence of the house.

Consider exactly what it means if this motion is adopted. In the first place, it means the government has asserted that the time of this house must be rationed. It means that the government asserts its right to sidetrack the important debate on the address in favour of a measure it proposes to introduce. It means also, in effect, that the government does not owe a primary responsibility to the house. It is time this house, out of self-respect, out of a sense of responsibility for the maintenance of its constitutional position in the interests of freedom in this country, asserted its right to determine the kind of government that should occupy the seats of office; and that can be determined under present circumstances only by a vote in this house which

will show the confidence hon. members are prepared to extend to or withhold from the government.

At no time in the life of this parliament was it more important that the debate on the address should proceed without interruption until it was established whether or not the government held the confidence of the house. Hon. members opposite seem to forget that, technically at least, there has been a change of government with the change of prime ministers, that there has been a change in portfolios, though in most cases the same ministers were reappointed. It is in that sense a different government; and it has not established in any particular that it possesses the confidence of the house.

Perhaps I should not have been amazed, but I must confess to some degree of surprise that the hon. member for Rosetown-Biggar (Mr. Coldwell) should have submitted so weakly this afternoon in the face of the government's steam roller. That is evidence of an altogether too friendly association between Liberal members and the C.C.F. party in this house. If that is to be an example of the way in which that group is to function in opposition, then I suggest it come out in its true colours and proclaim itself as simply a wing of the government party. If we are to have a continuation of that attitude the criticism of government policy we may expect from the C.C.F. party during this session will be a very friendly, mild and ladylike kind of criticism.

Now, Mr. Speaker, there has been an attempt on the other side to ridicule the importance of this debate. The reason is perfectly obvious, Mr. Speaker. The fact of the matter is that the debate on the address gives the members of the opposition, yes, and such other private members of the house as choose to assert their freedom and responsibility as members of the house, an opportunity to stand in their places and criticize the government on its past record, on its policy, on the contents of the speech from the throne, and on the omissions from it. Not only is this a duty; it is a responsibility which every member of the house must exercise according to his rights if he would do his duty by those whom he represents.

Necessarily, any government characterized by such flaws in its record affords very great opportunity for criticism. If this debate is not throttled, or sidetracked by the government steam roller, there will be plenty of criticism of the government in this chamber during the course of this debate. Is it any wonder, Mr. Speaker, that a government which has shown itself so impatient of criticism would desire in this way to throttle criticism? That is precisely the issue which is before the house today. Shall criticism have a free voice in a free parliament? It is that issue that will be determined in the vote on this resolution today.

This resolution means precisely what it says. It signifies that the government is not prepared to permit parliament, in the ordinary way, to proceed in freedom to express criticism of government policy. The reason becomes all the more obvious in the light of what has been said of late—supposedly emanating from government circles or sources close to the government, and referred to by my esteemed leader— about the possibility of a general election. What could better suit the purposes of a government, such as the one in office today, than, on the eve of an election, to throttle criticism in this house, and this at a time when much criticism is being heard from the people of this country. That is the measure of the government's sense of responsibility to those to whom it owes responsibility, that, at this above all times, it should seek to stifle criticism.

In this house the day before yesterday, Mr. Speaker, we went through a form which is followed on the opening day in every parliament which stems from the mother of parliaments. In the measure which has been traditionally introduced respecting the administration of the oaths of office, the house asserts its right to proceed with business of its choosing without first having to take up the program laid down before it in the speech from the throne. Is that an empty formality? Is it simply a reminder that in days gone by a free parliament found itself at odds with a monarch?

It goes a good deal further than that, Mr. Speaker. It amounts to the assertion, if this house has the courage to assert what it should, of the right of the house to proceed with its business in the proper way. In this instance no business can be taken up, if that constitutional position is to be preserved, until the government has established that it possesses the confidence of the house.

The same old mentality dominates this government as dominated the one which it succeeded last fall. There is the same old complex; the same old bureaucratic approach to all of these problems; the same contempt for parliament; the same irresponsibility in its attitude towards the elected representatives of the people in this house. If this is a new government, Mr. Speaker, it has learned its constitutional practice from the government which preceded it, and that was a poor way to learn sound constitutional practice. It was a very good way to learn oligarchic practice.

If this is a new government, it is not yet a reformed government, since it has the same old mentality that imposed taxation by radio and in many ways heaped contempt upon parliament.

Let me turn for a moment to a high authority, to no less a person than the hon. member for Quebec South (Mr. Power). Concerning this government and its attitude to such matters, he spoke words from which hon. members opposite would do well to profit. I will quote, Mr. Speaker, from a speech of the hon. and esteemed member for Quebec South, as reported in the Ottawa *Journal* of August 9, 1948. It happens that this speech was delivered before the national convention of the Liberal party. In reviewing some of the things to which I have alluded, the bureaucratic complex of this government and its tyrannical and irresponsible attitude towards the House of Commons, he said this:

> Without the existence of an almost all-powerful bureaucracy, it is unlikely that we would have had budget by radio, restraint of trade by embargoes and prohibitions, bungling of freight rates, and a snarling of interprovincial relations.

Let me say again, Mr. Speaker, that is just what this government has attempted to do.

He says further:

> But to me loss of individual freedom through irresponsible bureaucracy is too high a price to pay even for security.

I ask hon. members of all parties of this house to weigh well the memorable words uttered by the member for Quebec South on that occasion, when he said:

> Since the beginning of this convention there have been hints that from high places from now on all would be well; that things would be different in the future; that we would mend our ways. The pride that could flout a parliamentary caucus or a house of commons quailed before a national convention. But tonight the delegates will be gone, the old pride will return.

I say to you, Mr. Speaker, the old pride has returned. We have proof of it in this government resolution today.

The old plea of urgency has, of course, been trotted out. I think we have had enough in what the Prime Minister has said to completely disprove this allegation of urgency with respect to the Newfoundland measure.

Where is the sense in the government seriously saying it is imperative that the throne speech debate should not be permitted to proceed—it would probably last two or three weeks—because there would not be time to pass this Newfoundland legislation? Why could not the house have been called two weeks ago? No reason has been given—no reason whatever.

But the Prime Minister was not satisfied with that. When we met here on Wednesday there was tremendous urgency about this Newfoundland business. It was so urgent that it had to be proceeded with on Monday next. The most this government was prepared to permit, by way of rationed time in this chamber to speak in this debate, was Thursday and Friday. Two days to air the grievances of a nation in a parliament in which the new government has not yet proven it possesses the confidence of the house! Two whole days for the assertion of the rights of democracy in this House of Commons before the government steam roller begins to put legislation before the house and sidetrack other forms of discussion!

Suddenly, Mr. Speaker, that urgency began to fade somewhat in view of the snarl into which the government had gotten itself by its attempt to dictate to the house. The Prime Minister then decided that the house might have another week to discuss it. Today he says, and I recall his words, that we would be as far ahead after a week or two of debate on the speech from the throne. Then, why confine the debate on the address to one week if we would be as far ahead after a week or two?

The way in which democracy is functioning in free parliaments and legislatures the world over today is being watched by many people as the race narrows down between the true democratic way of life and the communist totalitarian method. There never was a time when it was so much the duty of members of a free parliament to assert the rights of all its members, if they would value their freedom and the constitutional processes they were elected not only to carry out but to defend.

What would be your attitude, Mr. Speaker, if you were one of those detestable communists, after seeing what was being attempted by the government in this House of Commons today, after hearing the talk about the rights of parliament, about parliament being a place where the grievances of the people are being aired, and where criticism can be leveled at the government without fear of individual retaliation, and then government comes along and decides that it will ration freedom of speech in this chamber? What would be your attitude, Mr. Speaker, if you were a communist? You would say, Is that not a fine sample of democracy? You would say, If that is democracy, then, after all, what is the fundamental difference between it and the totalitarian method?

This is no way for any government to expedite the business of the session. If they want to do that, let them first give this house a free opportunity to express an opinion as to whether or not they possess its confidence.

Mr. Solon E. Low (Peace River): Mr. Speaker, I think it has become apparent that we are not getting anywhere. If we have just a little bit of time in which to think this whole matter over, I believe we shall be able to come to a decision much more amicably than we perhaps would today. For that reason I am asking leave to adjourn this debate.

Some hon. Members: No.

Mr. Deputy Speaker: Is there a seconder to the motion?

Mr. Cruickshank: Grey North.

Mr. Deputy Speaker: The motion to adjourn is not before the house.

Mr. Howard C. Green (Vancouver South): Mr. Speaker, I submit to you and to the other members of the house that a serious question is raised by this debate, and I trust that you will bear with me for a few minutes while I try to analyse it in what I hope will be a nonpartisan way.

Some hon. Members: Hear, hear.

Mr. Abbott: That would be hard for you.

Mr. Deputy Speaker: Order.

Mr. Green: I realize that at times we all must show certain partisanship in this house, but I meant what I said when I indicated that I planned to try to analyze this question in an unbiased way. The question is whether or not the members of the government are taking the right attitude towards the debate on the address in reply to the speech from the throne. Let me direct the minds of hon. members back to the announcements made in the press about this session. In Vancouver I read that the speech from the throne would be considered for only a day or two and that we would then go on to discuss this proposed union with Newfoundland. In other words, the Prime Minister and the cabinet from the start have had the idea that this throne speech debate would last for a matter of only a few hours and then would be adjourned, or in effect would be pushed aside and used as a filler between other items of government business. The result must inevitably be that the debate on the speech from the throne will be of little use to the members of this house or to the country.

We saw this same attitude taken at the opening of the last session. Back in December 1947 we were all surprised to learn, again from the press, that the house was to be called into session a few days before Christmas, and that the reason it was being called was to deal with the Geneva trade treaties. I may be wrong in that, but I think that was the main reason given for calling the house in December. Mention may also have been made of the austerity program. In any event, I came east then believing that the main reason for calling that session was to consider the Geneva treaties. When we came here we were met with exactly the same plan that is being attempted at this session. The speech from the throne was to be dealt with for a day or two, and then we were to go on with this emergency business. As it turned out, the debate on the Geneva treaties lasted for two days, and then was adjourned until after Christmas, when it was again adjourned. The treaties were sent to a committee and the committee made a report, but the house never dealt with it or with the treaties; they have not been approved to this day. They are to come up again at this present session. On that former occasion the same attitude that is being taken today was taken by the cabinet towards parliament and towards the debate on the speech from the throne.

I submit that there are some serious objections to that attitude; in fact, there are grave dangers in the government of Canada adopting that attitude. First of all, the Prime Minister and his colleagues have placed far too little importance on this throne speech debate, which can only mean that they place far too little importance on parliament itself, on the private members of this house, whether they be in the opposition or on the government side, and on the people represented in this house by the private members. The keystone of our democratic system of government is parliament, not the cabinet. Parliament is composed of men and women entrusted by their constituencies with the responsibility of leading the nation. Under our system the leadership of this nation should not come from the cabinet; in the final analysis it should come from parliament. The cabinet is only the executive of parliament.

At the opening of each session the private members gather here from all over Canada, fresh from contacts with the people. They know the problems that are worrying the people and the action that the people want to have taken by parliament. We who come here as private members are certainly much closer to the people than any member of the cabinet can possibly be. He is here in Ottawa practically all the time; he has many other things to do and cannot be in such close touch with the people as a private member.

If the debate on the speech from the throne is held immediately after the opening of parliament it gives the private members a chance to bring the views of their constituents directly to the attention of the cabinet. That is important, because it can, or it should, influence the legislation that will be brought

down by the cabinet. Hon. members in this way also bring these views to the attention of their fellow members and of the Canadian people.

Some of these matters are of the utmost urgency. Let me give the house an example of the matters which are of great concern to us on the west coast at the present time. One is the position of our merchant marine and of our shipbuilding industry. Our merchant navy is fading away. It is like the old soldiers, Mr. Speaker. You remember the old saying that old soldiers never die, they simply fade away. That is what is happening to our merchant marine. It was built up during the war in a remarkable way. We trained a great many seamen who took their full part as the fourth arm of the service. In our shipyards we built a great many ships. We did a wonderful job. We developed a highly skilled personnel and in fact established a remarkably good Canadian merchant marine.

Mr. Deputy Speaker: Order. May I remind hon. members that the debate is with respect to procedure in the House of Commons. I doubt whether it is in order to debate any other questions at length.

Mr. Green: My basis for mentioning this subject, Mr. Speaker, is the urgency of that particular problem.

Mr. Deputy Speaker: Order. I did not stop the hon. member when he mentioned the subject, but I doubt whether he is entitled to discuss the subject matter more fully at this time.

Mr. Green: I shall simply repeat my statement that the Canadian merchant marine and the merchant navy men are fading away, and that something must be done about it and done quickly.

Another urgent matter which I shall mention is that in my city at least there are a great many employable unemployed piling up on the different social agencies. I think the dominion has accepted the responsibility for such unemployed as distinguished from the unemployable. Just before I came east I was called in to attend a meeting of the Vancouver community chest and council, and some of the key social workers in the city emphasized the very serious problem which is rapidly developing.

Many of these unemployed are young veterans. Something will have to be done very quickly about that problem either by the Department of Labour or by the Department of National Health and Welfare or perhaps by both. There again is an urgent matter which I should have had the opportunity of discussing fully on the address in reply to the speech from the throne without having to wait perhaps for three or four weeks and then speaking when the house will not listen, when nobody is interested in the throne speech debate.

I know exactly what will happen after the debate on the speech from the throne is adjourned next Friday. It will be brought up again on Mondays and Fridays, and all hon. members from Ontario, or from parts of Ontario adjacent to Ottawa, and all hon. members from those parts of Quebec adjacent to Ottawa will be away for the week-end looking after their respective businesses. There will be a few exceptions. The poor old members from the far east and far west will be here debating the throne speech. That is exactly what is going to happen to the speech from the throne. It is not good enough.

I repeat that the Prime Minister (Mr. St. Laurent) and his colleagues are underestimating the value of the throne speech debate. In a country of such great distances and of such divergent activities and varied outlooks as Canada, it is of the utmost importance for us to have a chance at the beginning of each session to discuss these various problems, and the debate on the address gives us that opportunity.

The effect of the plan proposed by the cabinet will be to make the debate a farce and to belittle the private member, both here in the house and in his constituency. That is most unfortunate at a time when our democratic system of government is under attack both from within and from without.

There is another serious objection to the proposal of the government, and it is this. It continues an attitude in the cabinet—and I regret very much having to say this—which amounts to contempt for the place of parliament in governing the nation. In any event, it shows clearly that the government attaches very little importance to parliament. There is a reason for that. I do not think the members of the cabinet have that outlook maliciously. Only three of the members of the present cabinet held office before the war. The majority, including the Prime Minister, have known only the wartime system of governing the country, which can be fairly described as government by order in council. Their training in governing Canada has been by wartime methods. I am afraid that wartime powers have spoiled them and that is why they so lightly override parliament. They must remember—and it is here, in the House of Commons, that they should be told—that, like the private members, they are the servants of the Canadian people and not their masters. They are not the masters of the private members either.

They would do well to remember the attitude of the Right Hon. Winston Churchill toward the British House of Commons during

the war years. I remember how impressed I was to read time after time of his attitude toward the house. He would come before the House of Commons in Great Britain in a most terribly distressing time and say, in effect, "I am glad to be able to come to the House of Commons and tell you my troubles, and from the feeling that you are with me, that you are trying to help me, I get great strength to carry on in these difficult times." I think our former Prime Minister, the hon. member for Glengarry (Mr. Mackenzie King) had much that same attitude.

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

Mr. Green: Yes.

Mr. Mitchell: How long did they permit a debate on the speech from the throne to continue in Great Britain when Winston Churchill was Prime Minister?

Mr. Green: Well—

Mr. Mitchell: Two days.

Mr. Green: I shall come to that. That is my third point.

Mr. Graydon: You don't see any Churchills over there.

Mr. Green: The Right Hon. Winston Churchill has always been a House of Commons man, and a little bit of that same sort of attitude would be very helpful to the ministers of the present Canadian cabinet.

With regard to the question of the Minister of Labour, what happened in wartime is entirely different from what should happen in peacetime. And that is exactly my point, that the Minister of Labour (Mr. Mitchell) and his colleagues still act as if we were at war.

Mr. Mitchell: It happens in peacetime too. Just read the history of the debates on the speech from the throne.

Mr. Graydon: Go back and read it; that is your trouble.

Mr. Mitchell: It happened this year.

Mr. Green: One reason we are in this trouble today is that there has been no—

Mr. Howe: What trouble?

Mr. Green: Does the minister wish to say something?

Mr. Howe: I just said, "What trouble?"

Mr. Green: Get up and say it, then.

Mr. Howe: I would like to ask my hon. friend what trouble he is referring to.

Mr. Green: What is that?

Mr. Howe: You spoke of trouble; what trouble?

Mr. Deputy Speaker: The hon. member for Vancouver South has the floor.

Mr. Green: The minister of—I forget—I think it is now the Minister of Trade and Commerce (Mr. Howe), was one of the three who were here before the war. He should know better; yet he is probably the one whose attitude toward parliament is most subject to criticism.

One reason we are facing this unpleasant situation today is that we are trying to carry on business in an age of television under a set of rules drawn up in the days of the hurdy-gurdy. I have been here since 1935, and I know there has been no revision of the rules in those fourteen years. For that I must say I blame the right hon. member for Glengarry (Mr. Mackenzie King). I think he did not keep up with the times. Quite often committees were set up to revise the rules, and suggestions were made for such revision; but nothing happened. I do hope that at this session we will have another committee to revise the rules, and that when the revisions are recommended something will be done about them. Otherwise we are going to have trouble just as we are having today, and we will have it session after session.

I urge in conclusion that—have you something to say, too?

Mr. Gardiner: Not until you are through.

Mr. Green: I do urge that the government be not too strict in having the debate on the address in reply cut off a week from today. Do not close the door to finishing that debate before going on with other business. If the present attitude is continued there will be in the end only one result, and that will be a new government.

Mr. J. A. Ross (Souris): Mr. Speaker, I desire to express my disapproval of the motion proposed by the Prime Minister (Mr. St. Laurent) and amended by the Minister of Agriculture (Mr. Gardiner) which would set aside to some future and distant date the discussion on the speech from the throne.

I endorse what has been said, that this government, in a democracy, should have a vote of confidence before they proceed with other measures as they now intend to do. Our first duty in the House of Commons is not to the government. Surely in a free democracy such as this our first duty is to the people who sent us here, people who have many problems confronting them at this time.

I know that in the prairies, from whence I come, they have plenty of worries. The agricultural producers of this country have many worries as a result of controls and embargoes, practically all by orders in council.

Mr. Deputy Speaker: Order. I must ask hon. members to discuss the motion, and not to discuss other problems.

Some hon. Members: Question.

Mr. Ross (Souris): Mr. Speaker, they have many problems worrying them today. I shall not discuss them in detail except to say that they lost in the neighbourhood of $2,000 million because of controls and embargoes. Then, there are other matters which are not satisfactory. I have in mind the United Kingdom-Canada wheat deal, in its present form. I could list many other items about which the people on the prairies are worried today.

As the elected representatives of the people, and as private members of the House of Commons, we should be given an opportunity to discuss those matters on behalf of the people. I cannot agree that there is the urgency set forth this afternoon by the Prime Minister, and endorsed by the hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of the C.C.F.

I well remember that at the last session of parliament we were here on December 5, 1947, chiefly to discuss the urgency of the Geneva agreement. The house prorogued on the last day of June, 1948, leaving that matter entirely in the air. It has yet to be dealt with.

The government was elected about four years ago—in June of 1945. This is the fifth session of the twentieth parliament, and surely at a time such as this the government should be willing to have discussions of the problems confronting the people of Canada and to give private members the opportunity to do so, instead of throttling discussions as they are attempting to do today.

Many hon. members have serious problems to discuss on behalf of their constituents; and under this motion the members from various parts of the country would not have an opportunity for a long time to come to discuss those matters. Only the other day a minister of the crown made, in my part of the country, statements concerning government business and individuals which cannot be repeated and substantiated in the House of Commons. By this motion we would be denied the opportunity of bringing up that very important matter, one which has an important bearing on the dominion and the provinces, and upon individuals in the House of Commons.

Surely at this time the Prime Minister does not intend to be a party to that sort of thing in a free democracy such as we are supposed to have in Canada today. It ill behooves the government at this time, in the fifth session of a parliament, to offer such a motion. I should hope that it would be withdrawn and that the government would give serious consideration to these very important problems confronting the people of Canada today. Many who will be making their plans for the coming season of production are greatly concerned, and they would like an opportunity for discussion of their future possibilities. This motion would nullify that opportunity for a long time to come. It is not in keeping with the best interests of the country. I voice my disapproval of the motion proposed by the Prime Minister and amended by the Minister of Agriculture, and I do so in the interests of the common people of this country.

Mr. John T. Hackett (Stanstead): Mr. Speaker, I am not in a particularly bellicose frame of mind this afternoon. I should, however, like to discuss one or two aspects of this motion. Nothing clings to a man with more tenacity than a bad habit. During the war, parliament cultivated habits of disrespect for rules of parliament, habits which were justified by the national peril then existing. Since that time we have seen frequent recurrences of departures from the rules.

The rules of the house are not just arbitrary enactments; they have grown out of experience. This is not the time to trace any of them back to their origin. But it will be found that in most instances they can be traced to some successful effort to escape from tyranny, and from the abuses of dictatorship.

Parliament exists for the purpose of tempering lust for power, whether that power be vested in an individual or in a group. With great respect to the hon. member for Eglinton (Mr. Fleming), I do not consider that the gentlemen opposite constitute a new government. I see a few new faces in old places, and a few old faces in new places. But after all, they constitute the same government; they have the same policy, and, I fear, the same bad habits. There has been some change in leadership, and this would be a good time to escape from the follies of the past.

One of the disabilities that has been visited on this assembly as a result of the war is the abuse of emergencies. The government hatches an emergency every ten minutes. Every time there is a difficulty it is overcome by providing an emergency. I am not prone to criticize, but seriously, is there anything urgent or emergent before this house today? The fact that the motion, if carried, will not go into effect until ten days hence is an answer to that question. Ten days hence there may be no reason to introduce this motion.

I submit that there is nothing urgent or emergent about the motion. I suggest that it

be withdrawn and that we proceed in the usual fashion prescribed by rules that make for order, that make for discipline, and that make for freedom. If there is anything that tends more than anything else to throw power into the hands of the administration and those who are associated with them, it is disrespect for and departure from the long-established traditions and rules of this house. If we lightly depart from them, as unfortunately was the custom in the last three years following the war, we shall see confusion, and loss of dignity in this house and lack of respect for it, which I fear is already apparent.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I do not rise to take part in this filibuster. This motion was introduced and spoken to by the right hon. Prime Minister (Mr. St. Laurent), who gave his reasons for it. It was spoken to by the leader of the opposition (Mr. Drew), who gave his reasons why he considered it was not necessary. It was spoken to by the leader of my party (Mr. Coldwell), who I believe very clearly put our case as to why we are supporting it. I cannot understand all this talk about the danger to order, about the danger to democracy, and all the other dangers that have been mentioned. Surely this is a question of orderly procedure in parliament, and whether we agree with it or not is a matter to be decided by the vote of parliament.

I think every hon. member, I suppose at least every hon. member on this side of the house, regrets that the government has felt it necessary to postpone the debate on the speech from the throne, or rather to postpone it if it is not finished by the end of next week. That is a longer time than the government suggested at first, and that in itself is one of the hallmarks of democratic procedure. There has been a compromise between the two extremes. If the government did not get all they expected to get or wished to get in the first instance, the opposition got at least some of what it wanted.

We will have a whole week to discuss questions which affect our own constituencies and I agree with the hon. member for Vancouver South (Mr. Green) and other hon. members that there are important questions that will have to be aired in this house. But I believe that the sooner we get this issue finished with the quicker we can come to questions that are important. If the question of Newfoundland is not important, we can come to questions that are.

I think it was the hon. member for Vancouver South who said that democracy was under attack. I cannot conceive of anything that can bring democracy more into disrepute than futile discussions in the House of Commons.

The house divided on the amendment (Mr. Gardiner) which was agreed to on the following division:

YEAS

Messrs:

Abbott	Jaenicke
Archibald	Jean
Baker	Johnston
Beaudoin	Jones
Beaudry	Jutras
Belzile	King, Mackenzie
Benidickson	Kirk
Bentley	Knight
Bertrand (Laurier)	Knowles
Bertrand (Prescott)	LaCroix
Blackmore	Lafontaine
Blanchette	Lalonde
Boivin	Langlois
Bonnier	Lapointe
Boucher	Laurendeau
Bourget	Leger
Bowerman	Little
Bradette	Low
Breithaupt	McCann
Brown	McCuaig
Brunelle	McCubbin
Bryce	McCulloch (Pictou)
Burton	McCullough (Assiniboia)
Campbell	Macdonald (Brantford City)
Caouette	McDonald (Parry Sound)
Castleden	McGarry
Chevrier	McIlraith
Claxton	MacInnis
Cloutier	McIvor
Coldwell	McKay
Coté (Matapedia-Matane)	MacKinnon
Coté (St. Johns-Iberville-Napierville)	MacLean
Coté (Verdun)	MacNaught
Cruickshank	Maloney
Demers	Marier
Denis	Martin
Dickey	Matthews (Brandon)
Dion (Lake St. John-Roberval)	Matthews (Kootenay East)
Dionne (Beauce)	Maybank
Douglas	Mayhew
Emmerson	Mitchell
Eudes	Moore
Fair	Mullins
Fontaine	Mutch
Fournier (Hull)	Nicholson
Gardiner	Nixon
Gariépy	Pearson
Garson	Picard
Gibson (Comox-Alberni)	Probe
Gibson (Hamilton West)	Quelch
Gillis	Raymond (Wright)
Gingues	Reid
Gladstone	Richard (Gloucester)
Golding	Richard (Ottawa East)
Gour (Russell)	Rinfret
Gourd (Chapleau)	Robinson (Simcoe East)
Grant	St. Laurent
Gregg	Shaw
Hamel	Sinclair
Hansell	Sinnott
Harris (Grey-Bruce)	Smith (York North)
Herridge	Stewart (Winnipeg North)
Hlynka	Stuart (Charlotte)
Howe	Strum, Mrs.
Irvine	Thatcher
Isnor	

Tremblay	Winters
Viau	Wright
Warren	Wylie
Weir	Young
Williams	Zaplitny—141.

NAYS

Messrs:

Adamson	Lennard
Aylesworth	Macdonnell (Muskoka-Ontario)
Barrett	McGregor
Black (Cumberland)	McLure
Black (Yukon)	McMaster
Blair	MacNicol
Bracken	Manross
Bradshaw	Menary
Brooks	Merritt
Case	Miller
Casselman	Murphy
Cockeram	Nowlan
Coyle	Pearkes
Daniel	Robinson (Bruce)
Diefenbaker	Ross (St. Paul's)
Drew	Ross (Souris)
Drope	Rowe
Ferguson	Skey
Fleming	Smith (Calgary West)
Fraser	Stephenson
Graydon	Stokes
Green	Timmins
Hackett	Tustin
Harkness	Webb
Harris (Danforth)	White (Hastings-Peterborough)
Hazen	White (Middlesex East)
Henderson	—55.
Hodgson	
Jackman	

(*Translation*):

Mr. Gagnon: I was paired with the hon. member for Terrebonne (Mr. Bertrand). Had I voted, I would have voted against the motion.

(*Text*):

Mr. Speaker: I declare the amendment carried. The question is on the main motion. Is it the pleasure of the house to adopt the main motion?

Mr. Abbott: As amended.

Some hon. Members: On division.

Mr. Speaker: Carried on division.

Motion as amended agreed to on division.

SUPERANNUATED CIVIL SERVANTS

COST OF LIVING BONUS OR OTHER SUPPLEMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Minister of Finance. In view of repeated representations, and the widespread support which their request has received, is the government considering the granting of a cost of living bonus or other supplement to superannuated civil servants?

Hon. Douglas Abbott (Minister of Finance): My hon. friend asked me a similar question shortly before the last session of parliament prorogued. I gave him an answer at that time, but I do not recall its exact terms. I referred him, however, to a press statement I made last January, announcing certain increases in the salaries of civil servants, in which I dealt with this question of pensions to superannuated civil servants. This is what I said:

> These pensions in essence are a special form of savings and are not related to the cost of living. Other Canadians do their own saving in various forms without help from their employers in this particular way, and most of such savings are normally held in the form of bonds, bank deposits, mortgages, annuities and other securities whose value is fixed in terms of money, just as superannuation pensions are. While it is recognized that superannuated civil servants encounter difficulties during periods of rising costs, these are similar to the difficulties faced by other retired persons living on pensions, annuities or other savings, and the government does not consider that it would be fair or proper in these circumstances to single out its former employees for special assistance.

So far as I am aware the government's view in the matter has not changed.

STRAIT OF CANSO

INQUIRY AS TO REPORT OF BOARD OF ENGINEERS

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): I wish to direct a question to the Minister of Transport. It arises out of conflicting press dispatches appearing in local newspapers within the last couple of days with regard to the engineering commission appointed to inquire into the feasibility of the Canso project and related matters. One report states that the bridge might be proceeded with immediately; another states that the commission's report is still under study, and yet another states that the commission's report will likely be released from Kingston on Monday. As the Minister of Transport is the responsible minister, can he make a statement clarifying the whole situation?

Hon. Lionel Chevrier (Minister of Transport): I am afraid I cannot make a full statement such as my hon. friend would wish me to make. I can, however, say to him that the board of engineers which has been established to study the Canso project have not yet made a report. They have had a conversation with me in which they indicated that they have studied several forms of transportation across the strait, namely, a causeway, a bridge, a tunnel, and the present facilities with improvements. It was also suggested by them that in relation to one of those projects, as to which they could come to no conclusion, that of a bridge, they would require additional data. They have indicated to me that they will make a report as to the cost of obtaining

the additional data, which would entail the laying of a test pier in the strait. When I have that report I shall bring it to the attention of the government so that it can be dealt with quickly.

POTATOES

REFUSAL OF PERMITS FOR EXPORT TO THE UNITED STATES

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I desire to direct a question to the Minister of Trade and Commerce. Has his department been asked by Washington to refuse the issue of further export permits for potatoes consigned to a certain United States potato importer?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The answer to that question is yes. The request from Washington was received after the permit referred to by my hon. friend had been issued. Upon investigation it was then found that the boat had already been loaded and that financial commitments had been made both to the growers and to the transport companies. The matter was referred to Washington, and it was agreed that it was too late to stop this particular shipment. At Washington's request, no further permits for seed potatoes will be issued to the United States firm in question. This ban has been placed upon the particular importer until further notice.

WHEAT

PARTICIPATION PAYMENTS FOR 1945-46 CROP YEAR AND SINCE

On the orders of the day:

Mr. Robert Fair (Battle River): I should like to ask the Minister of Trade and Commerce when the wheat growers of the prairie provinces may expect a further supplementary payment on the wheat delivered during the 1945-46 crop year and since. I might say that it was intimated recently in the west by the Minister of Agriculture (Mr. Gardiner) that this payment would be made.

Right Hon. C. D. Howe (Minister of Trade and Commerce): The date and the amount of the payment are matters which have not been definitely determined. It is usual to make the payment some time before seeding begins.

Mr. Ross (Souris): Before June?

Mr. Howe: The probability is that the usual practice will be followed this year, although no decision has been reached as yet.

CHINA

EVACUATION OF CANADIAN CITIZENS —H.M.C.S. "CRESCENT"

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): I wish to direct a question to the Minister of National Defence. In view of the statement made by him today that H.M.C.S. *Crescent* has proceeded to far eastern waters, can he indicate the number of Canadian citizens who may need to be evacuated?

Hon. Brooke Claxton (Minister of National Defence): I cannot give any number because there has been no indication from the Canadians there. The total number of Canadians in China is about eight hundred, but they are not all in the area concerned. A considerable number of those in the area affected have indicated their desire to stay. It is, therefore, not possible to give the number of those who might wish to be evacuated should the necessity arise.

Mr. Pearkes: If I may, I should like to ask a supplementary question. Can the minister say whether there is any reason why H.M.C.S. *Crescent* has proceeded or is proceeding to far eastern waters?

Mr. Claxton: The ship is going on a cruise to the far east, and if there should be a need of coming to the assistance of any Canadians, it will be available to give that assistance.

HOUSE OF COMMONS

INQUIRIES AS TO SETTING UP OF COMMITTEES

Veterans Affairs

On the orders of the day:

Mr. T. J. Bentley (Swift Current): I wish to direct a question to the Minister of Veterans Affairs. Since I did not give him notice of it, I shall not expect an answer today if he does not feel like giving it. Has the minister given consideration to the setting up of a special committee on veterans affairs during this session?

Hon. Milton F. Gregg (Minister of Veterans Affairs): I have not received notice of this question, but the answer to it is that the minister and the government have given consideration to the matter, and it has been decided not to recommend the setting up of a committee this session.

Income Tax—Farmers

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Agriculture. The western agricultural

conference recommended that a committee of the House of Commons be set up for the purpose of studying the question of income tax as it affects the farmer, with a view to removing the present anomalies and injustices. Will the government give consideration to the setting up of that committee?

Right Hon. J. G. Gardiner (Minister of Agriculture): I think that question should be directed to the Minister of National Revenue.

Mr. Diefenbaker: Very well. I direct it to the proper place.

Hon. J. J. McCann (Minister of National Revenue): Consideration has not been given to the matter, but it will be.

Radio Broadcasting

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to direct a question to the Minister of National Revenue. Is it the intention of the government to take steps to set up a special committee of the house at this session on radio broadcasting?

Hon. J. J. McCann (Minister of National Revenue): The matter has not been given consideration. When it has been considered, an announcement will be made.

HOUSING

PROTECTION OF VETERAN'S EQUITY IN CASE OF ILLNESS, ETC.

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of Reconstruction and Supply, or to the Minister of Veterans Affairs, whichever minister is able to give the answer. I brought this question before the house on February 25, 1948. My question is this: Has the government, or any agency of the government, worked out ways and means by which the veteran buying a house under any of the government plans will not, in case of illness, low wages or work stoppage, lose any reasonable equity that he may have in the house?

Hon. Robert H. Winters (Minister of Reconstruction and Supply): Careful consideration is given to all these matters, but no specific answer to the question can be given at this time.

Mr. Fraser: Will the minister consider it and give an answer as soon as possible? The veterans are much concerned about the matter.

[Mr. Diefenbaker.]

TRANS-CANADA AIR LINES

REPORT AS TO REMOVAL OF OPERATING HEADQUARTERS FROM WINNIPEG

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of Trade and Commerce? In view of disturbing reports concerning the removal from Winnipeg of Trans-Canada Air Lines operating headquarters, will the minister make a definite statement as to the policy of the government and Trans-Canada Air Lines in connection with this matter? How many persons are being moved? What departments and personnel will remain at Winnipeg?

Right Hon. C. D. Howe (Minister of Trade and Commerce): This is obviously a question which refers to the internal management of the Trans-Canada Air Lines. Allocation of staff is a matter for the management of the air lines; it is not determined by the government. This is not the type of question which is usually answered on the floor of the house.

Winnipeg is the operating headquarters of the domestic lines of Trans-Canada Air Lines. Montreal is the operating headquarters of the Atlantic lines of Trans-Canada Air Lines. There is a movement of staff between the two, as and when required by the management. The government receives no notice of any such transfer of employees.

SAM CARR

INQUIRY AS TO DEPORTATION OR EXTRADITION PROCEEDINGS

On the orders of the day:

Mr. A. L. Smith (Calgary West): I wish to direct a question to the Minister of Justice. Will he bring the house up to date on the Sam Carr case? Are we to have deportation or extradition proceedings? What charges are awaiting in this matter?

Hon. Stuart S. Garson (Minister of Justice): My information is that we have not yet received official intimation that deportation proceedings will be taken. We have already said that in the absence of deportation proceedings we will take extradition proceedings. We expect, however, an official statement on deportation.

Mr. Smith (Calgary West): Extradition on what charges?

Mr. Garson: On the charges that are outstanding against Sam Carr under the warrants for his arrest which have been extant since the matter first came up, and which are, as I recall, first, conspiracy under the Official

Secrets Act; second, the giving of false information to get a passport, and third, forging of an application for a passport.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Thursday, January 27, consideration of the motion of Mr. D. F. Brown for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, in rising to address the house in this debate I think my first words should be words of sympathy to the hon. the Speaker of the Senate in the tragic loss of his wife, which has just been announced today. Like many others here, I had the privilege of being received by her as recently as Wednesday, and I do wish personally to convey to Dr. King my very deep sympathy, which I feel sure is shared by every hon. member.

I should like first of all to pay my tribute to the mover and seconder for the adresses which introduced this debate, and to join with them in some of the things that were said in regard to the necessity for advancing the development of this country. I particularly wish to join my own wishes to the hope that was expressed yesterday that every possible step will be taken to expedite the development of the St. Lawrence river in every way that it can be done.

I also want to mention the fact that all of us here have a feeling of satisfaction in the birth not long ago of a future heir to the throne, and the knowledge that the much beloved princess, the daughter of the king and queen of England, is herself so well, and that this young prince gives every evidence of being worthy to take his place in the line of succession to the throne.

In coming to the speech from the throne itself, I must say that since this is the first speech from the throne that I have read since becoming a member of the house, it does seem to me to leave a great deal to the imagination and a great deal to determine by future discussion. One of the things which certainly every hon. member, and every Canadian from one end of Canada to the other, is anxious to know is what the intention of the government really is in regard to the taxation being imposed, far above the actual requirements of this country at the present time.

I notice that in the press reports of the speech from the throne it was suggested that the indication contained in the speech followed somewhat the same line as the speech of the Prime Minister (Mr. St. Laurent) before an assembly outside the House of Commons within the past few days, and that it also indicated the possibility of an early election. It was suggested that it indicated a cut in taxation. I think that hon. members will want to know a good deal more of the actual intention of the Minister of Finance before they can come to that conclusion, because the paragraph covering that subject reads as follows:

> Prosperous conditions now prevailing are being reflected in the buoyant level of national revenues; a condition to which due consideration is being given by my ministers in the preparation of forthcoming budgetary proposals.

On past occasions buoyant revenues have been given consideration by the ministers, and they have used those buoyant revenues for the purpose of overtaxing the people of Canada to a point where, even with high levels of earnings, any savings are extremely difficult. I hope the consideration now being given by ministers to buoyant revenues will lead them to another conclusion, in spite of the repeated arguments made publicly by the Minister of Finance (Mr. Abbott) that under some theory of cyclical budgeting he should tax the people as heavily as possible while we have buoyant finances. I express the hope that we shall have from him some indication that he has abandoned that strange theory of public financing, and that such consideration will lead to a reduction in taxes, which the people from one end of Canada to the other are demanding—and rightly demanding.

Most of the other points in the speech from the throne will be dealt with in a way which will probably lead to further information. However, there is one paragraph to which I should like to refer before passing to the main theme of my remarks.

Royal commissions have a very useful and very important function, if they are given terms of reference which clearly define their responsibilities, and if they are given a task which can be performed in a way that will lead to some useful results. There is reference in the speech from the throne to a royal commission to deal with transportation, which at the present time is being used mainly for the purpose of diverting public attention from the fact that this government has failed to deal effectively in any way with the problem of freight rates, something which should be dealt with by the government with the information now available instead of setting up a further inquiry into this very subject.

But I should think that the royal commission—which would be a royal commission never to be forgotten, if proceeded with in the

form suggested—is the royal commission which, it is stated, is to be set up. That royal commission is described in the speech from the throne as follows:

> It is the view of my ministers, that there should be an examination of the activities of agencies of the federal government relating to radio, films, television, the encouragement of arts and sciences, research, the preservation of our national records, a national library, museums, exhibitions, relations in these fields with international organizations, and activities generally which are designed to enrich our national life, and to increase our own consciousness of our national heritage and knowledge of Canada abroad. For this purpose, the government intends at an early date to establish a royal commission.

Mr. Rowe: The Twentieth Century club.

Mr. Drew: I would express the hope now, in these first remarks in the debate, that if any such commission is set up—which will certainly be a commission to arouse criticism of all royal commissions, because of the vagueness, uncertainty and lack of any limitation of its scope—there is no thought that the setting up of that commission will be given as a reason for not dealing with any of the subjects mentioned in the terms suggested by this paragraph in the speech from the throne.

Just take as an example the fact that this commission is to deal with television. This afternoon it was suggested that we had progressed in Canada from the early primitive stages to the days of television. I do hope hon. members in the house will realize that in Canada we have not advanced to the stage of television, and that at the present time we are being prevented from reaching that advanced stage by an arbitrary denial of the rights of those people who are prepared to provide television in this country, without the treasury of Canada being committed to the expenditure of one cent for this new service. I should like also to suggest that the full possibilities of this commission be fully recognized before the terms are drafted.

Then it contains the words "the encouragement of arts and sciences". That in itself, without some limitation, would cover a very wide field.

"Research"—that, too, covers the broadest possible field, because it would include research into every conceivable type of activity we now have.

"The preservation of our national records, a national library"—these may well be subjects for consideration by somebody.

"Museums"—well, they are set up by national, provincial and municipal organizations, as well as by private organizations. The limitation on that would be very difficult indeed.

"Exhibitions"—I wonder what the purpose of that could be. Are we going to have inquiries into the conduct of county fairs and of agricultural exhibitions across the country? Are we to have inquiries into various activities of that kind?

Then, above all, let us imagine the wide possibilities of examining into "activities generally which are designed to enrich our national life." If there is one activity designed to enrich our national life, it is education; and although I recognize that this government constantly forgets it, the fact is that under the constitution the provinces of Canada were given certain designated powers. One of those exclusive powers covered education, which, in my opinion, is the most important way of enriching our national life.

I am not going to go into all the other possibilities. There are much younger members in the House of Commons than I am, but I doubt if any one of them would still be alive, when this commission finally completed its inquiries, if it were to really carry out all the possibilities contained in this paragraph.

Mr. Rowe: It would tide them over until after the election.

Mr. Drew: That, of course, is the inescapable suggestion when, coincident with the announcement by the Prime Minister (Mr. St. Laurent) at a friendly gathering on Tuesday night that an election might not be very far away, we have this omnibus reference to a royal commission. I am expressing the hope now that before attempting to do this it will be recognized how absurd the results would be. Also I do hope there will be no suggestion at any time in the present session that the setting up of such a royal commission will limit the discussion here of any subject coming before it, because there are very few subjects which would be discussed here which could not in some way be brought under the wide umbrella of these terms of reference.

I find no positive statement as to the advancement of the national health program. Certainly I had hoped that there would be some positive statement in regard to that subject in view of the fact that at a very late date the dominion government did advance with the early steps of inquiry into the broad basis of the health requirements of this country so that other health programs could be proceeded with. Actually, from beginning to end, this statement by the government of its intentions during the present session is marked by the absence of any positive evidence as to the things that it intends to do, in the field either of health or of social security, in the reduction of taxation or in meeting the very urgent problem of housing that exists in this country at the present time.

There is a very clear and very important omission. There is no reference in the speech from the throne to the possibility of any

further meetings with the provincial governments of this country to work out a system of co-operation between those governments and, above all, to define the constitutional relationships of those governments within our federal system. The speech from the throne starts with a very simple and proper statement of the situation with regard to external affairs. It says:

> The first concern of government in world affairs is to ensure peace and security. To this end, Canada continues to support the principles of the united nations charter.

It then goes on to discuss foreign policy. No one will disagree with the fact that the first concern of this and every other government and every other parliamentary body is to do everything humanly possible to preserve peace and to protect the people in the country which it serves. But there is another matter of almost as great importance, the constitution itself. Without an understandable constitution, an enforceable constitution, it is difficult for any nation to continue its course as a united nation. The constitution is in fact the framework upon which the national structure is built.

Yesterday the Prime Minister (Mr. St. Laurent) stated that he had been invited to visit the President of the United States. I feel sure that every hon. member in this house will welcome the fact that the Prime Minister is going to have personal discussions on important subjects with the head of that great and friendly nation with which we are so closely associated. I hope it will be remembered that in the United States particular emphasis in public life is placed upon the constitution. As the Prime Minister, in the early stages of his responsibilities, is going to establish contact with the President of the United States, I hope he will keep in mind the oath which the president takes when he assumes office. It is a simple oath which reads:

> I do solemnly swear that I will faithfully execute the office of President of the United States, and will to the best of my ability, preserve, protect and defend the Constitution of the United States.

I for one do not feel that Canadians should follow the pattern of any other country except where they find that that may be useful. However, I think it would be well for us to recognize the importance which is given in the United States to the constitution as the foundation of all their governmental responsibility. It is noticeable that the oath taken by the governor of every state in the United States when he is sworn in contains a similar provision, that to the best of his ability he will defend the constitution of his state and the constitution of the United States.

I believe the time has come when it is essential that the head of the government in Canada and all members of the government should have some feeling of responsibility for preserving the constitution of this country. This has been one of the great strengths of the democracy with which we are so closely associated. Our constitution is threatened today by a carefully planned effort to deny the provincial governments the opportunity to carry on their own affairs with the freedom and discretion which comes from independent taxing sources which will make them free to determine the things that they can do.

For that reason I propose to devote the remainder of my remarks to the necessity of a return in this country to the true principles of the federal system and to the recognition of the fact that national unity in Canada became possible under that federal system and that national unity can be continued only if that federal system is respected in fact as well as in name.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. Drew: Mr. Speaker, at six o'clock I was referring to the constitutional position and to the steps this government has taken to centralize authority under the dominion government. I propose now to discuss the broad constitutional problem, with particular reference to what have been generally described as dominion-provincial relations.

Until a very few weeks ago my responsibilities lay in another field. Consequently I neither had the opportunity nor was it particularly my duty to deal with statements that might be made in other parts of Canada about what had taken place at the dominion-provincial conference, or about the present situation in regard to that gathering. The reason I feel I should deal with this subject in this speech, during the debate on the address in reply to the speech from the throne, is that this is the first opportunity I have had in the House of Commons to correct some extraordinary statements that have been made about what did take place at that conference, and to place on record the sequence of events which led up to the adjournment of the conference in May, 1946, and to say why today I feel it is so necessary that this conference be reconvened if we are not to increase the constitutional confusion already existing in Canada.

This is no new subject. It has been a matter of concern to thoughtful Canadians for many years, and in 1937 this government, under the previous Prime Minister, appointed

a royal commission for the purpose of inquiring into the whole broad field of dominion-provincial relations, to make recommendations as to the way in which our federal structure could be best improved and the way the combined resources of Canada could be best put to the use of all our people, so that every part of Canada might benefit from the combined wealth and prosperity of the whole country. I have seen statements reported in the press coming from supposedly responsible people to the effect that it was very unfortunate that the premiers of Ontario and Quebec had prevented agreement at the dominion-provincial conference. Merely as an example of the many statements of that kind coming from presumably responsible sources I would quote these words:

> It is calamitous for Canada that the Ontario and Quebec governments could not have continued with those of the other seven provinces in the negotiation of a compromise of the small area of disagreement which still remains between the seven provinces and the dominion.

Similar statements have been made in different parts of Canada; that the premier of Quebec and I, while premier of Ontario, had prevented agreement. Let me say without reservation that any such statement is utterly false and wholly unrelated to the truth.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Drew: I am making these remarks, of course, for those who are capable of understanding them. As far as my position as premier of Ontario at that time was concerned, I was quite able to deal with that subject within the legislature where my responsibilities then lay; but I do feel that in the interests of an understanding of this vitally important subject it is just as well that the record be put straight and that some of this false and vicious propaganda, designed to create prejudice and misunderstanding as between different parts of Canada, be corrected right now on my entry into this house.

The constitution is not something to be treated as merely a scrap of paper. We have seen very convincing evidence of the importance of a working and workable constitution in a great many countries throughout the world in the past few years. It is significant that when France, one of the homes of real democracy, was freed after the invasion of Normandy and the German armies were driven out, the first thing that was done, even before any attempt was made to set up a government, was to draft a constitution which would be acceptable to the people and would, in their belief, continue the freedom which had been restored to them. Hon. members will recall that the first step was the calling of a constituent assembly, whose purpose was the drafting of a constitution, which was then submitted to the people for approval or otherwise. And as will be also recalled, the first draft was refused, while the second was accepted.

I merely mention this to indicate that we have ample evidence before us that the constitution of any country is a vital feature of good government and of the preservation of the democratic structure at a time when democracy and freedom are the most precious things in the temporal sphere of man's activities.

For many long years it has been apparent that substantial changes were necessary to bring to its full efficiency and vigour the combined system of national government we describe as confederation. To a slight extent the first world war, but to a far greater extent the economic difficulties that followed, and then the second world war, emphasized the need for adjustments and for closer and more effective co-operation. It was out of that understanding of the need for an examination of our constitution that the royal commission was appointed in 1937 and that the subsequent discussions took place. Not for the purpose of emphasizing my participation in any of these events, but simply because it happens that I did have a fairly active part in them, I believe it is important to put on record some of the details of the earlier stages prior to the dominion-provincial conference which met in August of 1945.

Upon the presentation of the report of the Rowell-Sirois commission, a dominion-provincial conference was called but it did not produce very decisive, practical results. That was prior to the time I was premier of Ontario. Time passed and I was called upon to assume office in August, 1943. At that time I emphasized the need for a continuance of these discussions.

In November and December of 1943, I had occasion to go to England. On my return I found reported in the press a number of statements by members of the dominion cabinet indicating the intention of the dominion government to introduce legislation dealing with matters which were obviously within the provincial field. At that time I was concerned about the fact that if this were done it might cause unnecessary confusion and might prevent the possibility of a harmonious working out of some of these practical problems.

For that reason, immediately on my return I wrote to the Prime Minister of Canada and I think this letter, in itself, is a fairly effective answer to those uninformed propagandists who attempt to create the impression that I was a reluctant attendant at the meet-

ings here and not greatly interested in the advancement of dominion-provincial relations.

This is the letter I wrote on January 6, 1944, to the then Prime Minister of Canada. It reads as follows:

Dear Mr. King:

Since returning to my office I have had the opportunity to read a number of speeches made by dominion cabinet ministers, referring to plans that are being made for post-war employment and reconstruction. I find that in most cases they refer to fields of activity which would ordinarily be under the exclusive jurisdiction of the provincial governments.

I need not say we are most anxious to co-operate in every practical measure which will assure effective post-war planning and the prompt rehabilitation of the members of our armed forces. I believe it is extremely important, however, where it will be necessary to obtain agreement of the provincial governments in regard to the joint occupation of fields of legislation ordinarily under their exclusive jurisdiction, there should be previous discussion so that any measures introduced will be on a basis agreed upon in advance.

At present there are agreements in regard to health and education awaiting adjustment between the dominion and provincial governments. I believe that it is very difficult to deal with these or with any other similar agreements until we have reached some understanding in regard to the present and future constitutional relationship of the various governments.

I would therefore urge that a dominion-provincial conference be called at the earliest possible date to consider the broad question of post-war planning and reconstruction. Not only is this necessary for the purpose of determining the basis upon which the dominion and the provincial governments will co-operate, but it is also necessary for the purpose of considering the subject of taxation in relation to these measures.

I believe it is of the utmost importance that such a conference be held before any measures are introduced, either in the dominion parliament or the provincial legislatures, which call for ultimate agreement between the dominion and the provincial governments. We will be prepared to send representatives to a conference of this nature at such time as will be convenient to you, but I do urge that the conference be held at the earliest possible date.

That letter was signed by myself.

I mentioned that letter for this reason. The Prime Minister of Canada at that time evidently thought sufficiently well of the general review of the situation which I put forward that he submitted a copy to the premier of every other province and asked whether, in their opinion, this suggested a satisfactory basis for a dominion-provincial conference. It is a matter of record that each of the provincial premiers indicated this would be a satisfactory starting point for such a conference.

I need not mention any of the intervening discussions which took place, but a conference did convene in Ottawa on August 6, 1945. At that time the dominion government placed before the conference a number of proposals in regard to taxation, health, social security and public investment. I wish to emphasize this. All the governments attending that conference accepted the proposals as the basis of discussion and indicated their approval of the general principles set forth. It was then decided it would be best to discuss the subjects in closed sessions, and in order to assist these discussions a co-ordinating committee was set up to bring together the combined knowledge and effectiveness of the governments in dealing with these subjects.

Again, simply as a matter of record, may I point out that the co-ordinating committee of representatives of every government, dominion and provincial, was set up on my motion as premier of Ontario, with the unanimous consent of those attending the conference. It then proceeded to discuss the broad fields of proposals which had been put forward. In a very short time it became apparent that there was a great deal of statistical information not yet available which was essential for the practical consideration of these proposals.

On my motion as premier of Ontario a dominion-provincial economic committee was set up, constituted of the economic experts from each of the governments for the purpose of examining the combined economic picture with which we were called upon to deal. As a result of these inquiries which were carried on in August, in November and again in January, it became apparent to all the governments that much still remained to be done before it would be possible to interpret, in exact figures and financial terms, the health, social security and public investment proposals which were then under consideration.

Various changes were suggested by the different governments, all of which were given consideration. In my official capacity I emphasized one particular point at that time, that, from 1867 on, there had been no attempt by official representatives of the governments to examine the possibility of a general readjustment of our whole taxation system. One of the proposals that I put forward, and I am now quoting from my statement presented as to our position, was as follows:

Immediately after the ratification of the new agreement steps would be taken by the co-ordinating committee, with the assistance of the economic committee and such other expert assistance as might be deemed advisable, to conduct a thorough examination of the whole Canadian tax structure for the purpose of establishing a new and revised system of taxation which would leave clearly defined and clearly divided taxing powers to the dominion and provincial governments, under a system which would impose the least onerous burden upon the individual taxpayer.

It seems to me that was a sound and practical suggestion. Then on the subject of health insurance I also urged that we should

all accept in principle the proposals put forward, and then, when we had the economic and statistical figures that we required, we should proceed to deal with them with the advantage of this continuing dominion-provincial co-ordinating committee and the dominion-provincial economic committee. I might quote what was in my presentation to the conference:

> The Ontario government expresses its belief that the highest possible measure of co-operation should be established between the dominion and provincial governments in the development of their resources and the maintenance of all types of production. It approves the idea of holding back public construction and public investment during the period when private investment and private production can provide the opportunities for employment which assure gainful occupation to all our people.

Then I went on and further urged the need for a dominion-provincial conference at least once a year, but expressed our own belief that it would be advisable to have a conference at least every six months to bring these governments together. I proposed that in our case we would then set up permanent provincial offices in Ottawa, and that there be a permanent secretariat here serving all the provincial governments, so that this combined team of governments could work continuously together as one functional organization in their field of common legislative and administrative responsibility.

I have seen some statements, which were just as remarkable as the others to which I have referred, to the effect that Ontario refused to share its favourable financial position with other provinces. That statement, I might say, is absolutely false. Fortunately, there was a *Hansard* record of those proceedings and it is there to show that as premier of Ontario at all times I asked, or insisted:

> . . . that the special advantages enjoyed by the province of Ontario through the location here of head offices of large national organizations be recognized and that a plan be devised whereby the taxes paid by such national organizations be distributed to all provinces on the basis of the actual business done in those provinces and not in relation to the mere fact that the head office happened to be in the province of Ontario.

What is more, in our submissions to the conference we urged the very thing to which the Rowell-Sirois report had attached such great importance, something that the dominion government had not urged, and in fact refused to consider at the conference. We urged the setting up of a national adjustment fund, which was a key point in the Rowell-Sirois recommendations. We not only urged the setting up of a national adjustment fund but we urged that this fund be set up on a level much higher than that which had been suggested only a few years earlier in the Rowell-Sirois report. In order that I may not simply generalize but may refer to my exact words, I should like to quote from what I said to the conference which was meeting on May 1, 1946, and I shall be quoting from the *Hansard* record until I indicate that the quotation has ended.

Mr. St. Laurent: Would the hon. member mind indicating the page?

Mr. Drew: I shall be happy to furnish the Prime Minister with it because I am reading from an extract from it. It is the *Hansard* record of May 1, and I shall be happy to give him the exact page.

Mr. St. Laurent: I have the record here, and I should like to follow it.

Mr. Drew: I shall be glad to give the exact page. The quotation is as follows:

> Ontario believes in the system of fiscal aid to those provinces which from time to time require special assistance because of the fact that their economy is not so widely or so flexibly based that through their own free taxing powers they can meet the difficulties which arise.

What I said then and what I repeat now is that, while we suggested one form of administration of this national adjustment fund, we were not married to that proposal—I believe those were the exact words I used—and that we would accept any system of administration of a national adjustment fund which was acceptable to this conference. We shall not within the term of any agreement we now sign be drawing upon that fund to which, naturally, we shall contribute very heavily.

Then I went on, after certain words which intervened, as follows:

> I stated the principle to which we adhere, that we are accepting the principle of fiscal aid in a fund administered on a basis acceptable to those provinces which will be dealing with it; and we are prepared to agree to whatever may by mutual consent here be regarded as an adequate sum for administration in that national adjustment fund.

In the face of those words on the record, hon. members can perhaps understand my surprise when I read from time to time some of these rather extraordinary allegations, that I, as premier of Ontario, was unwilling to share with the other provinces of Canada such advantages as Ontario might possess.

Then also, as to the suggestion made by those who should know better,—and of course, I am referring particularly to some of those who were there—may I recall that in the *Hansard* record the very last words I addressed to the conference the day it adjourned, on the motion of the dominion government, were as follows:

> I want to remind the conference that I have made it quite clear all along that nothing we have put forward is "take it or leave it."

Those were the broad general details, and that was the spirit of the proposals that

I put forward in my official capacity at that time. I was also extremely surprised to find the suggestion made that we had in any way made the continuance of the conference difficult, because those who have not taken the trouble to do so—and it is obvious that a great many hon. members have not—should read the record of those proceedings. If they do they will find that when the various proposals had been put forward, and the various criticisms had been directed to certain features of the dominion proposals and alternative suggestions had been made, the Minister of Finance at that time, who was at the conference, then said it would be necessary for the dominion government to examine all the proposals before it, that it would need more time, and therefore moved the adjournment of the conference *sine die*.

The interesting thing is that it was the premier of Nova Scotia, Mr. Macdonald, who said, just before the motion was put:

> I take it that Mr. Ilsley is not suggesting that there will not be another conference.

And, in the absence of anything to suggest the contrary, we all accepted the motion in the belief that we would be meeting again; and there was no reason to suppose for a moment that we would not be meeting again, because the stated purpose of the adjournment was to consider the various proposals which had been put forward.

It was therefore with very considerable surprise, and I may say indignation, that I learned on June 27, 1946, that the Minister of Finance had placed financial proposals before the House of Commons without notifying any provincial premier, except of course those closely associated with him, that there was any thought of the conference not proceeding as had been intended. At that time, without any relationship to the other subjects we were discussing and the constitutional problems which are vital, and which must be solved if we are to have a workable form of government under our federal system today, those proposals were put forward as a statement of what the provinces could get if they gave up their major taxing powers. No conference, no discussion, but here is what you get. It is not for me to say what anyone else should do in that respect, but the explanation that was given is one that is worth repeating in putting the record clear.

In explaining why they were following this course the Minister of Finance at that time made a statement on the matter, as reported at page 2908 of *Hansard*:

> Ontario, it is true, did offer a proposal which was an alternative to the dominion proposals, but it was not until the closing hours of the conference that the financial implications of that proposal were revealed. These involved so large a net increase in total cost to the dominion as to put the proposal beyond the possibility of responsible consideration.

That was the explanation. The truth is that by the steady process of attrition, and by the steady demands of one province after another, most of the things that the Ontario government proposed at that time were actually done bit by bit. The government weakened in order to appease its friends. I do not suppose that any hon. members have forgotten that when the terms with British Columbia were announced there was an immediate and very vigorous outburst by the premier of New Brunswick, who indicated that he regarded this as an extremely unfair deal for New Brunswick, and then of course New Brunswick had to get similarly fair treatment; and so it has gone on by a steady process of putting a little more into the ante to sweeten it for all those who have to try to explain to their own constituents just why they accepted these agreements.

The fact is that there had been a very narrow field of difference between the governments at the time the meeting adjourned. The real barrier which existed was not a barrier on the basis of the money involved. The barrier was the determination of the dominion government to acquire centralized financial power through the proposed agreements, upon terms which would have made all provincial governments mere annuitants depending upon the dominion treasury. No other explanation is possible.

An examination of our proposals—and I hope that some of those who have been making such loose statements will really take the time to examine them before making some of the statements they do make—will show that in many ways the dominion government would have been much better off in accepting the proposals then put forward by Ontario and other provinces; and the people of Canada would have been much better off because the proposals put forward by the provinces would have ended the double taxation which the dominion government insisted upon retaining at that time. Some of these double taxes have since been reduced. It was quite interesting to see that what seemed to be quite irresponsible to the Minister of Finance in June, 1946, became the height of responsibility at some later date, at a time when some provincial governments were not finding the results too satisfactory.

To read many of the statements that have been made, one would think that the only objections which had been presented to the proposals put forward by the dominion government, or the only counter proposals, were

those put forward by the government of Ontario. In the search for information, which I hope will be pursued following these remarks, I suggest that, in reading the record, careful attention be paid to what was said by Premier Macdonald of Nova Scotia, who in the clearest and most cogent terms criticized this attempt to centralize power, and pointed out the fundamental and historic danger to a federal system of substituting annual subsidized payments to a provincial government in return for their own independent taxing power upon which their legislative independence must depend. The fact is that some very useful proposals were put forward by other premiers. An extremely clear, useful and powerful argument in regard to independent taxing powers, and the ability of the provincial governments to carry out their function in clearly defined fields, was put forward by Premier Manning of Alberta. I must confess that I have not been able to quite understand why it was that such a determined effort was made to make it appear that only Ontario and Quebec had failed to agree with these proposals.

Those two governments did not sign the tax terms—remember, the tax agreements related to this conference. They did not sign the arbitrary tax terms put forward in June of 1946, because they were able to carry on their own financial affairs. And the time will come when the people of Canada generally will have reason for considerable satisfaction that there were two provinces which were able to hold out, so that complete centralization of financial power did not get into the hands of the dominion government.

I have noticed that one of the less informed members who have spoken on this subject made the statement not long ago that as premier of Ontario I had no concern with principle in connection with this until after the conference, that it was only a question of the amount of money we got. To him particularly I would urge a little reading. But I think that, taking the generous view, it was a lack of knowledge of what occurred that led to such a remark.

I think I should clearly indicate what some of the basic principles were which were being asserted by myself as premier of Ontario at that time and by the premier of Quebec, and by the premier of Nova Scotia, and by the premier of Alberta, and by others who were attending that conference. I think you will find a very high measure of unanimity in the general views we expressed.

There was very clear evidence of a belief that under the federal system, which divides the fields of legislative and administrative responsibility between the dominion and provincial governments, the establishment of an effective functional relationship is probably more important than anything else, and that one of the really effective steps toward the solution of our constitutional difficulties is to create the simple mechanism that will bring the governments together in continuing co-operation, through some form of permanent secretariat, and the regular meetings of representatives who meet with the knowledge of what the general responsibilities of the governments are.

However, admittedly, that is a detail of operation. The main point with which we were concerned was that there must be no doubt about regular conferences, if we were to make use of all the combined powers we had in bringing about a solution of our constitutional difficulties. One of the things that was emphasized, and probably emphasized more strongly by Mr. Macdonald than by anybody else, was that unless some such meetings took place, and started then, the agreements that were described as temporary must inevitably become permanent agreements—because when the time came for the present agreement to terminate no solution would have been found for the problem; and it would simply be a case of going ahead, following the same course and adjusting the amounts.

It would mean that the provinces would be giving up effectively the main taxation fields made available to them under the British North America Act without the assurance of any other exclusive fields of taxation, within which their taxing powers could be exercised with any degree of independence for the purpose of raising those revenues necessary to carry out their many and increasingly complex responsibilities.

To enter into any agreement such as that suggested, no matter how attractive it might have appeared at the time, without the assurances which were asked, would simply have meant that the provinces would have established by agreement their permanent dependence upon a system of subsidies which has wrecked every federal system in the history of the world after a relatively short period of time, once it has been put into effect.

I have seen it argued that we were inconsistent in asserting these principles—and may I remind at least one hon. member opposite that it was principles we were asserting. In relation to these principles it was pointed out, however, that Ontario was prepared to sign a transitional or temporary agreement, because we knew that we had not a solution then— so long as there was an unqualified and enforceable undertaking that we would meet right away to examine our whole tax structure and prepare for a new

and really satisfactory tax agreement at the termination of the temporary one, under which our constitutional problems would be solved, and under which we might have a better taxing method, for the advantage of all the people of Canada.

That weaknesses have developed in this federal system of ours, no one can deny. Those weaknesses in the British North America Act are the result of the great changes in the conditions in this country, the scale of our activities, and the scale of our production. The fundamental weakness lies in the fact that the provinces were given the right to raise revenues only by direct taxation for the purpose of carrying out their exclusive responsibilities, while the dominion government was given the power to raise taxation in any way.

That never created any problem until 1917 when, for the first time, the dominion government, in order to raise the revenue necessary to carry on the very heavy responsibilities of the war in those days, went into the income tax field. At that time, recognizing the practice which had been so clearly established since 1867, Sir Thomas White, then Minister of Finance, gave the assurance that they would vacate that field as soon as possible.

Time went on, and greater invasions of those fields took place. But it was not until the early part of the second world war that the great and substantial change in the financial relationship took place which really presents the critical basis of the problem at the present time. At that time the dominion government proposed to the provincial governments that they should give up their great progressive fields of taxation of personal income tax and corporation taxes for the duration of the war, in return for annual payments, so that the dominion government, with all the necessary centralization of authority, might also have what they regarded as centralized financial authority related to it.

At that time I was leader of the opposition in the Ontario legislature, and I agreed wholeheartedly with the premier of Ontario in the acceptance of that proposal. But might I remind hon. members that at the time the provincial governments gave up their great fields of taxation, which had been the basis of their economic and financial independence since confederation, they did it upon the firm and unqualified and very emphatic assurance of the Minister of Finance that the taxing power would be restored to the provinces at the end of the first fiscal year following the termination of hostilities, and that their taxing powers would be diminished in no way by their acceptance of this proposal, which was for the purpose of meeting the emergencies of war.

In examining the situation today, in considering the necessity of early discussion of this whole subject, it is essential that it be remembered that the provinces gave up their taxing powers on that consideration. That undertaking was not only a verbal undertaking, it was not only one that was put in the form of a letter, it was actually given the sanction of a legislative promise by being included in the statute which approved the tax agreements themselves.

Let me make it quite clear that I did not suggest then, and I do not suggest now, that any particular tax should be made available to one government or another. What I do say is that a position has been reached where it is absolutely essential that the whole problem of taxation by all governments, dominion, provincial and municipal, be carefully examined so that the most efficient system possible may be devised. I said at the conference, and I say now, that I was not wedded to the allocation of one particular tax or another. I say, and in this I am simply echoing what has been said by the premiers of most of the provinces, that if the federal system is going to work and the local authority of the provincial governments preserved there must be real taxing powers available to those governments. If they are dependent upon subsidies for a substantial part of their revenue, their legislative and administrative independence will be illusory, because at every point where they seek to do something they must try to find out how much they are going to get from the government that is going to supply the necessary money.

I realize that there are those who believe that it would be a good thing if we had only the one government in Canada. No one need deny the right of anyone to hold that view. It is a perfectly natural question for anyone to ask whether one central government might not be more efficient than a dominion government with provincial governments dealing with local affairs. There are people who state that, and then there are people who state publicly that they believe in the federal system but who nevertheless are challenging all the lessons of history and following a course which if pursued is bound to destroy the federal system.

It is not mere accident that every nation with a land area one-third the size of Canada or more has adopted the federal system. That system is the only workable one for great land areas. The United States, Australia and other large countries have all found that to be the only workable system. But there are other reasons why we should be extremely

careful not to weaken the federal structure in any way but rather to strengthen it and to give to the provincial governments that measure of independent authority in dealing with their local affairs which is the only way in which they can do the tremendously important job that they have to do.

There is a great background to this whole question. Canada had experimented with a single government. In 1841 the Act of Union provided for a single government, not only for what is now Quebec and Ontario but for the other provinces to the east as well. Actually those other provinces never came into that union and consequently Ontario and Quebec carried forward that experiment in unitary government from 1841 to 1867. One of the compelling reasons for the adoption of the federal system in 1867 was that even with all the efforts that were made to make that system work it was found that there were reasons why this country could not carry on under a single system of government. Therefore we followed the course which seemed to provide the greatest assurance of national strength in the central government with the retention by the provincial governments of those local rights and conditions without the preservation of which this country could not have become one great united nation.

Then there was another very important consideration. Those who discussed the federal system here in Canada had before them evidence of what had occurred in the United States, and in their thinking they were greatly affected by what had taken place there. It is quite clear from the discussions that they gave great attention to the exchanges which had occurred between those brilliant and highly trained men who had drafted the constitution of the United States more than 75 years earlier.

Because we as a nation followed the United States to a considerable extent in the drafting of our constitution, it is well for us to remember that another very important reason for adopting the federal system was that it provided checks and balances between the two levels of government which seemed best designed to prevent over-centralization of power at any time in the hands of the central government. Going back to the discussions which took place in the United States at the time of the drafting of their constitution, and using the word that is still used very frequently in relation to it, they were seeking to prevent the usurpation of power at any time within the framework of the democratic structure.

So that it may not be suggested that I am merely making this statement here in the House of Commons and expressing a different opinion to that which I have held at any other time, may I quote from a statement I made in the Ontario house which is recorded in the Ontario *Hansard* of April 1, 1947. I do this in order to explain what I gave to the Ontario legislature as one of the reasons why it was essential that we respect in all its integrity the concept of the federal system which was laid down in 1867. I am quoting from the *Hansard* of the Ontario legislature of April 1, 1947, as follows:

> In examining the effect of such proposals upon national unity, it would be well for all of us to consider their effect upon the province of Quebec.
>
> There are good reasons why the province of Quebec attaches special importance to the provisions of the British North America Act and is less likely to accept substantial changes which are made without the consent of that province and without adequate compensating protection, if any of their established rights are to be diminished. With good reason Quebec looks to the British North America Act as their guarantee of their own civil law, of their customs, of their language and religion.
>
> It would be well for all of us to keep in mind the reasons why those special rights were assured to the province of Quebec in 1867. The provisions of the British North America Act merely carried forward undertakings which were first given at the time of the capture of Quebec in 1759. Those undertakings were given statutory form in the Quebec Act of 1774 and repeated in the Constitutional Act of 1791.
>
> It is not for anyone living in any other part of Canada today to question the wisdom of that decision. There can be little doubt that if those rights had not been granted the people of Quebec would have seen no good reason for not joining the other North American provinces which seceded and formed the United States, after the Revolutionary War which began in 1775.
>
> Nor is it likely that the soldiers of Quebec would have fought so gallantly and so successfully in the defence of British North America in the war of 1812-14 if the Constitutional Act had not reassured them of those rights in 1791, and in doing so gave them a good reason for remaining loyal to the British crown.
>
> In view of the fact that those rights have been undisturbed for nearly two hundred years, there is no reason why the province of Quebec should accept any agreement which would have the effect of weakening their provincial government, and by centralizing financial power in the central government present the very real possibility of the establishment of a unitary government, in fact if not in name.
>
> If these deductions are correct, then those provinces which hope to maintain national unity will follow a course which it is possible for Quebec to follow as well. But, Mr. Speaker, in emphasizing the special reasons why Quebec would resist agreements which would weaken the federal structure and lead to centralization, I wish to leave no impression that it is Quebec alone which would be unwilling to lose control of its own local affairs. The people of Ontario are very properly jealous of their great traditions and I do not believe that they would be willing to hand over the control within their province of their local customs, their administration of justice, and their own long-established educational system.

I have read that quotation at length because I believe it is something it is necessary to

bear in mind today, since there is a firm conviction that those local rights and traditions which mean so much to the continuing unity of Canada are being threatened by the course which is being followed by the dominion government, and its repeated refusal to reconvene the dominion-provincial conference.

I am not forgetting it has been said that there is no threat of centralization in the course being followed by the dominion government. The evidence, however, is quite to the contrary. Centralization becomes a reality the moment the provincial governments place themselves in a position where they are not free to exercise their own discretion as to how they do their business, and are not able to finance their own affairs. History must not become our master, but history is a very useful guide. We can best judge the effect of this subsidy system by examining what has been said by those who should know something about it. One of the historic facts which cannot be escaped is that any attempt to centralize authority and make the local governments dependent upon the central government or vice versa —and there have been both tendencies—has always ended in the ruin of the federal system which tried it. That started well over two thousand years ago with the breakdown of the first federation, the Achaean league. There is plenty of evidence of what happens when centralization or dependence of this kind takes place.

I know it has been said over and over again that there was no intention of keeping these tax fields. It will be remembered that the Minister of Finance of that time gave his solemn undertaking that the provinces would have returned these great fields of the income and corporation taxes. Never mind whether some alternative can now be devised; that was the undertaking; and until an alternative is devised by consultation that undertaking should be fulfilled, and it is not being fulfilled. I find the present Minister of Finance (Mr. Abbott) made a statement on January 27, 1947, which indicated quite clearly that he has no thought of ever returning these tax fields to the provinces. He said:

> Why not divide the tax fields between the dominion and the provinces and let each raise all its own revenue? The chief objection to following any such plan is based on the inequality existing between the wealth of the various provinces. I doubt if any partition of the tax field could be agreed upon which would be equitable, efficient and adequate for all governments under the great complexity of conditions and needs that exist today.

That statement is in direct opposition to the undertaking of the previous Minister of Finance, who gave his assurance at the time the provinces gave up these taxing powers.

Then may I go back to the early ideas of confederation. George Brown emphasized this very point, that they were going to give the provinces taxing powers. These were his words:

> No longer shall we have to complain that one section pays cash while the other spends it. Hereafter they who pay will spend, and those who spend more than they ought will bear the brunt.

That is a simple, blunt statement by one of the early leaders in this country. Another great Liberal leader, Sir Wilfrid Laurier, made this very clear statement:

> It is a completely false principle that one government should impose taxes and another government spend the revenue therefrom. This will always lead to extravagance.

Then he went further; and I emphasize that these are not my words, but the words of Sir Wilfrid Laurier describing the very type of subsidy payment that has now been forced upon certain of the provinces of Canada:

> Too often this increase of subsidy—

And that is just what we have seen.

> —has been nothing on the part of the federal government other than the payment of a note in return for political treachery.

If anyone does not like those words it is too late to criticize the author, but please let me remind him that they are the words of a great leader of the Liberal party who held strong views about the preservation of the federal system. Then I would like to read the words of another leader of the Liberal party whose views have been accepted widely in the statements that have been made. This is what he said in this House of Commons in 1930, in discussing this very idea of subsidy payments:

> When on a previous occasion we were discussing this matter of grants from one treasury to another, I said I thought it was an unsound principle; in fact I think I used the expression that it was a vicious principle to have one body to raise the taxes and another body spend the people's moneys thus raised.

Now, that is the second time today I have agreed with the right hon. member for Glengarry (Mr. Mackenzie King), and agreed completely, as to the soundness of the position taken in regard to the dangers of subsidies of this kind instead of giving effective taxing powers to the governments which have to carry on their business.

Today we have a situation in which we are no nearer solution of our constitutional problems than we were several years ago. The acceptance of these arbitrary terms put forward in the House of Commons in June, 1946, did not advance the solution of our constitutional problems or bring about agreement on health, social security and other measures under discussion at that conference. As a

matter of fact, they may only hinder it, unless there is, in fact, some early solution of these difficulties.

This problem is not confined to our own country. This is a problem faced by all countries with a federal system, because in every country those who had a taste of concentrated power always felt that taste lingering in their mouths, and the flavour in some way affected their thinking. It happened in the United States after the war of 1812-14. Students of the history of that country will recall that the very same idea of a centralized taxing power was offered there as an efficient solution of their difficulties, much the same as we have seen here. It has been tried over and over again in different countries. Woodrow Wilson gave this warning in one of his discussions of governmental problems. I quote his words:

> The history of liberty is the history of limitation of governmental power, not the increase of it. When we resist concentration of power, we are resisting the powers of death, because the concentration of power is what always precedes the destruction of human liberty.

Then, just to bring the last expert witness forward, I should like to quote the words of that great democrat, and I use that word with both the capital and the small "d", Franklin Roosevelt. In discussing this tendency of centralizing power under similar devices developing in the United States, he used these words:

> To bring about government by oligarchy, masquerading as democracy, it is fundamentally essential that practically all authority and control be centralized in one federal government . . . the individual sovereignty of our states must first be destroyed.

The strength of this country has been built upon the combined strength of all the governments. The great developments that have taken place in the nine provinces across Canada have very largely been the result of the wise and intimate guidance of the provincial governments in each of those provinces. Canada has good reason to be proud of the enormous expansion of its productive capacity during these past years, particularly during the years of war, to meet the crisis this country then faced. Let it never be suggested for one moment that the dominion government was responsible for the whole of that great development. Remember that in every province the roads which carried the heavy movements of food, munitions and production of all kinds, were roads put there by the provincial governments. The resources which were used were resources brought to their development and made available under the wise and sensible administration of these same provincial governments.

The thing which gave our workmen as high a degree of skill as that shown by the workmen of any country in the world was the educational system in each of those provinces with which the dominion government has nothing to do at all. Going right across the field you will find the ground had been laid for this great expansion. Please do not let anyone following me suggest that I am for a moment seeking to leave the impression that the vast industrial development was not in a great many cases carried out under the direction of the dominion government. The military production and the adoption of plans were also under the direction of the dominion government, but the ground work was there. The work which was done when these broad plans were laid was, very largely, the work of these provincial governments, which in peace and war, since confederation, have been close to the people. For that very reason the provincial governments were able to bring to the highest point of efficiency the efforts of the people from the Atlantic to the Pacific.

Certain changes have taken place since the conference adjourned on May 3, 1946, at the instance of the dominion government. The present Prime Minister of Canada asserted the proposition that this parliament has the power, by majority decision, to change our constitution. His own words were:

> The central power does not need to go back to the provinces in order to say what Canada shall be in the future.

At first glance that seems rather plausible. You have seen suggestions about the provinces assuming great measures of power and feeling they had to be consulted about this and that. The provinces came together to form a nation on the clear understanding there was a constitution which protected their rights and preserved their traditions and their laws. It is not for this parliament to change that constitution without consulting those provinces. Never mind whether anyone might think a sufficiently cogent argument could be put forward in any court to uphold that proposition. There is more than a legal decision involved in this; there is the unity of Canada. There will be a very real threat to the unity of this country if there is any doubt about the fact our constitution is not something which does, in fact, preserve those rights which were regarded as so important in 1867.

No country could possibly carry forward as a great nation without an understandable and workable constitution. Right now neither the dominion nor the provincial governments know where the border line is between many of their responsibilities. We see evidence of that in much of the legislation that is under consideration here. Some of the legislation

that has been suggested is definitely in the field of provincial authority. Those are the things that are going to cause difficulty. All this difficulty could be avoided by bringing these governments together in a conventional relationship such as has been suggested.

I emphasize this point again. This conference came to an end in May of 1946 by the decision of the dominion government, and it has not met since, for one reason and one reason alone, namely, the refusal of the dominion government to convene it. The record is clear. I for one have on frequent occasions urged the reconvening of that conference. I have written not only to the previous Prime Minister but to the present Prime Minister, while he was acting in that capacity, urging the reconvening of the conference; and I am not the only provincial premier who did so during the intervening years. But may I emphasize that there are those, whose views cannot under any circumstances be said to have a political flavour opposed to this government, who take that stand. For that reason may I just quote the words of Hon. Angus Macdonald spoken in the Nova Scotia legislature on May 12, 1947. I shall quote fairly briefly, but the passage shows exactly what the position was, in the words of that able public servant. These are his words:

> There are important matters yet to be settled, constitutional and economic. In the constitutional field, there remains the whole problem of a revision of the constitution in the light of the experience of eighty years and in the light of Canada's identity as a federal state. This revision can only be made at a general conference between the dominion and the provinces, and such a conference ought not to be long delayed. Indeed, it should be held without any delay.

Then he made certain detailed observations, and I quote again:

> For a proper settlement of the constitutional and economic questions that still remain, we in Nova Scotia shall continue to press. Let it not be thought for a moment here or elsewhere, that by simply increasing the subsidies to this province as is done under these proposals, Ottawa has rid itself of listening to just provincial demands and claims. Anybody who holds that view is sadly mistaken. In the words of a great Scottish warrior, "They have not seen the last of my bonnets and me."

Some hon. Members: Hear, hear.

Mr. Drew: I am still quoting Hon. Angus Macdonald:

> Thus far the dominion government has steadily refused to reconvene a general conference. I do not think it can long continue in this position. I believe that public opinion alone, if nothing else, will bring about the holding of a general conference on these important matters, even though one of the parties is reluctant to agree to such a meeting.

That is a general summary of the situation. Everything I have said is borne out by the record. In the face of that record, I can only say that anyone who suggests that the premier of Ontario of that time, or the premier of Quebec, in any way prevented the reconvening of the conference, is challenging the record and is stating what is directly contrary to the truth.

This concentration of power which has been achieved is already producing highly unsatisfactory results, because the dominion authorities were able to get the exclusive field of personal income taxes. And they did that; because, when the governments of Ontario and Quebec refused to accept those arbitrary terms, they did not impose income taxes. By the invasion of other fields, particularly the succession duty field, which, according to the statement of the Minister of Finance at that time, was supposed to be left clear, this government through its Minister of Finance during the current fiscal year is overtaxing the people of Canada to the extent of at least $600 million. That is what they do with the measure of centralization they have now achieved. I hesitate to think what they would do if they had been able to achieve that full measure of centralization which they were seeking and failed to realize only because the provincial premiers recognized the sound basis of the federal system.

This federal structure was intended to create checks and balances. It was intended to create checks on too great centralized taxing powers. It was intended to prevent the over-centralization of authority of any kind. Let us all remember what was done in order to carry that structure into effect. Following what was done in the United States, those who drafted our excellent constitution in the months prior to July, 1867, left with the provinces the exclusive jurisdiction over those personal affairs which largely determine the kind of life our people live from day to day.

The result is that under that federal constitution civil rights, property rights, the administration of justice, which establishes those rights through our courts, the municipal laws, the supervision of municipal affairs, which has so great an effect on the life of every one of us, and education, which determines the whole destiny and character of a nation, were all left exclusively with the provinces. That was done mainly with the idea that, so long as they retained their authority, there could be no usurpation of power by a central government at any time if, temporarily at least, power were assumed by those who believe in centralized power. It is just as important to preserve protecting provisions of that kind as it is to create them.

If the full protection of those measures is to be retained, then, under a new and revised system of taxation which will be to the

advantage of all Canadians, the provincial and municipal governments must have, under their laws, adequate independent taxing powers in order to be able to carry out their heavy responsibilities to the people whom they serve. The preservation of those particular rights and functions was never more important than it is today, when all over the world freedom is being threatened and centralized power is in so many lands destroying the democratic system in which we believe.

There are other reasons why this over-centralization of power has consequences that cannot be ignored. I think we are all indebted to the Minister of Reconstruction and Supply (Mr. Winters) for an unusually frank statement he handed to the press last Tuesday. I think it will bear quotation because it must be one of the frankest admissions made by any minister of the crown since confederation. These were his words in a statement handed to the press on Tuesday afternoon:

> Getting votes is obviously not a matter of hand-outs or tumbling over ourselves to outsocialize the socialists. The recent by-election in Digby-Annapolis-Kings highlighted the point. More was done for this constituency by way of direct financial beneficence than probably any other constituency in Canada, and you know what happened.

Mr. Rowe: One honest politician.

Mr. Drew: We knew it was happening but we did not expect a frank statement by a minister of the crown that they were trying to buy the constituency with public money and failed.

Mr. Rowe: They could not sell their apples and they were paid $4 a tree.

Mr. Drew: This admission, over-frank or naive, or just slightly exuberant, whichever it was, cannot be passed over too lightly. It is as frank an admission as I have ever seen of the fact that this government has been using the additional financial powers it had acquired in the hope that it would affect votes in the constituencies where the money was spent.

Mr. Sinclair: Cocktail bars in High Park.

Mr. Drew: I am going to be able to give you further evidence of the inclination of this government if you will be patient for a moment; but I do want to say this. The minister of reconstruction was right to this extent: that the fine people of Digby-Annapolis-Kings were not to be bought by beneficences, to use his term, and that they sent to this House of Commons a man worthy of the great traditions of that constituency, a man who will represent them well. It was because of his character, his integrity and his ability that he is here today in spite of what was done.

[Mr. Drew.]

But to those who seem to regard this as a rather humorous incident—and I would think that ministers of the crown might not so regard it—I would point out that this is not an isolated example of the same attitude. It can be said for the Minister of Reconstruction and Supply that he has not shown the experience, either in government or in public statements, that is possessed by the other ministers who do something somewhat similar. The other minister is the minister who has in his hands the control of this enormous concentration of money. Let me read a report from the Halifax *Herald* of January 6 of this year. I am quite prepared to admit that this outdoes the minister of reconstruction. Until I indicate that the quotation is ended I am quoting from the Halifax *Herald*:

> Kentville, January 5. Finance Minister Douglas C. Abbott has replied to a resolution passed at the eighty-fifth annual convention, Nova Scotia fruit growers' association, here last month, in which an appreciation to the federal government for its financial assistance to the Annapolis valley apple industry, was voiced in a letter read by the secretary at the first meeting of the new directorate.

Mr. Sinclair: Hear, hear.

Mr. Drew: Let me read the last part of the quotation, which is as follows:

> Mr. Abbott, in acknowledging receipt of the resolution, said he was very glad to know of the expression of appreciation, but regretted this appreciation had not "taken the form of a larger vote for the government in the recent by-election."

Mr. Black (Yukon): The chickens are coming home.

Mr. Rowe: They are not politicians, they are statesmen.

Mr. Drew: It is not possible that there were ever two more completely frank admissions. To use that gracious word employed by the minister of reconstruction, the Minister of Finance had conferred his beneficences upon Digby-Annapolis-Kings and regretted that the beneficences made possible by the money of the people of Canada had not been duly recognized by voting for the Liberal candidate in the by-election in Digby-Annapolis-Kings.

Mr. Sinclair: Is frankness so rare in Ontario?

Mr. Smith (Calgary West): You had better take it, Jimmie.

Mr. Sinclair: He is surprised that we are frank. Frankness surprises your leader. We are not surprised.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order.

Mr. Graydon: Stick to the C.C.F., Jimmie.

Mr. Deputy Speaker: Order.

Mr. Sinclair: We are not surprised that frankness surprises him.

Mr. Deputy Speaker: Order. May I remind all hon. members that their remarks must be directed to the Speaker.

Mr. Drew: The hon. member who has just spoken has said that we have no reason to be surprised at the frankness, and we have none, because this is the pattern of this government which is using this money power in this way.

Mr. Sinclair: On a point of privilege, since the leader of the opposition used my words I will say I was not surprised that he was surprised at frankness. Everybody in the house knows that frankness is quite unknown to the leader of the opposition.

An hon. Member: They certainly fell for that one.

Mr. Drew: By its refusal to reconvene this conference to which I have referred, the dominion government is not only threatening national unity, but making impossible any solution of our constitutional problems. For that reason this government should not receive the support of hon. members of this House of Commons in the course it is following. By the admission to which I have referred, and by the added admission just made, it is obvious that neither this house nor the people of Canada have any right to have confidence in the government.

Therefore I move, seconded by the hon. member for Peel (Mr. Graydon):

That the following words be added to the said address:

"We respectfully submit to Your Excellency that Your Excellency's advisers do not possess the confidence of this house."

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I wish to associate myself with the words of the leader of the opposition (Mr. Drew), in which he expressed his deep sympathy with the Speaker of the other place in the terrible bereavement which has so suddenly overtaken him. I can assure him that all hon. members in the house have experienced a feeling of shock and surprise that the charming lady who so graciously received us on Wednesday afternoon has now passed away.

I should like to extend sincere congratulations to the mover and seconder of the address in reply to the speech from the throne. It is a great pleasure to have such good reason to compliment both of them upon the excellence of the speeches they made in the house yesterday. I feel sure we are all of the opinion that they acquitted themselves with personal credit, and thereby brought distinction upon the constituents who elected them to this House of Commons.

The mover of the address in reply (Mr. Brown) is not a newcomer to the house. He has been a member throughout the life of this parliament, and for three years has been the chairman of the committee on Indian affairs. In that capacity he has won both the admiration and the respect of all those who took any part in the valuable work performed by that committee. He has shown like competence and diligence in all his activities in relation to the business of the house. I hope it will not be thought amiss that I should say that he has set a fine example in the way he has sought to serve in the House of Commons the interests not only of his constituents but of the country and the Canadian people as a whole.

(*Translation*):

Right Hon. L. S. St. Laurent (Prime Minister): The seconder of the address in reply to the speech from the throne is a new member, only recently elected to represent the riding of Laval-Two Mountains.

We are very pleased to have him with us on this side of the house and, after listening to the splendid speech he made yesterday, we realize that his support will be most valuable to this side of the house.

Before his election, he already had a fine reputation because of his public services as an agronomist in the Montreal district. He is an expert on agricultural problems and I am sure he has especially set his heart on working for the interests of the farmers.

In his first appearance in this house, he has shown fluency and cleverness to a degree which is seldom attained by a newcomer.

The electors of Laval-Two Mountains, I am sure, are still prouder today than on election night of the fortunate choice they have made in the person of this member.

Some hon. Members: Hear, hear.

(*Text*):

I should like also to extend a word of congratulation to the leader of the opposition (Mr. Drew) upon the very interesting address to which we have listened. Of course, he will not expect me to allow this debate to be diverted into the channel he has seen fit to choose, rather than to have it deal with the subject matter of the question now before the house. The matter before the house is an address to His Excellency the Governor General, thanking him for the speech he has addressed to the two houses of parliament, setting out for them the purposes for which this fifth session of the twentieth parliament has been called.

I think we owe some measure of attention to the speech he pronounced, and that it is only proper that that measure of attention

should be accorded to it. Of course, that does not mean that I am not going to have anything to say about what the leader of the opposition, in the course of this debate, has taken so long to say. But before coming to that, I believe I would be sticking rather more closely to the traditions of the house if I were to deal with some of the matters dealt with in the speech from the throne.

Before doing that, however, I want to say to the leader of the opposition that there are many of the things he said in his speech concerning dominion-provincial relations, and concerning the constitution of Canada, and its principles, with which I am in entire agreement. And if there was any hope anywhere that an issue could be created upon that, then I am sorry that we shall have to disappoint those who may have entertained such hopes.

The speech which His Excellency has addressed to the houses of parliament states that the first concern of government in world affairs is to ensure peace and security. The leader of the opposition has agreed that that should be the first concern of government. But it is rather surprising that he found it sufficient to devote but one or two short phrases to that aspect of the great problem of peace in the world and security for Canada. At other times and places he has stated the position of his party, and I assume that he did not consider it necessary to enlarge upon it in the course of his address on this occasion. I find reported in the Winnipeg *Free Press* of January 12 that he had stated the night before in Winnipeg, with regard to the North Atlantic defence pact, that his party was on record as favouring an association of western powers for the preservation of peace.

That is quite true, because I referred back to the resolutions adopted at the convention where the hon. gentleman was chosen leader of his party. I found this resolution:

Western defensive union. In the present crisis Canada should give its strongest support to the concept of the establishment of a western defensive union of nations.

I took the trouble to look up those resolutions because it was not so very long ago that the leader of the Conservative party in the province of Quebec made statements that were quite the opposite of this resolution. *Le Devoir* of November 13, 1948, had very substantial headlines reading:

"M. St-Laurent n'a pas le droit d'engager le pays à l'avance."

That translates:

Mr. St. Laurent has no right to commit the country in advance.

The report then goes on to state:

Au cours d'une conférence de presse, hier après-midi, dans les bureaux du quartier général du parti progressiste-conservateur, le leader provincial de ce parti, Me Yvan Sabourin, C.R., a qualifié de malheureuses les récentes déclarations de M. Louis St-Laurent, futur premier ministre du Canada, au sujet de "l'impossible neutralité" de notre pays, advenant une troisième guerre mondiale.

A free translation of that would be:

In the course of a press conference yesterday afternoon in the offices of the general headquarters of the Progressive Conservative party the provincial leader of that party, Mr. Ivan Sabourin, K.C., described as unfortunate the recent declarations of Mr. Louis St. Laurent, the future Prime Minister of Canada, concerning the impossibility of maintaining the neutrality of our country in the event of a third world war.

The press conference reporter then went on to state:

M. Sabourin a soutenu que le Canada peut fort bien rester neutre advenant un conflit armé entre la Russie et les États-Unis; il a cité l'exemple des États-Unis qui sont demeurés neutres pendant une période assez prolongée, lors des deux dernières guerres mondiales.

Then the reporter quotes:

"Il est fort possible", a-t-il ajouté, "que si la guerre éclatait entre la Russie et les États-Unis, le Canada puisse demeurer neutre, et suivre ainsi ses meilleurs intérêts. Si les États-Unis ont pu demeurer neutres, lors des dernières guerres mondiales, pourquoi le Canada ne le pourrait-il pas au cas d'une troisième guerre? Il n'y a qu'à renverser les rôles", a dit M. Sabourin.

Perhaps I may translate that as follows:

Mr. Sabourin contended that Canada might very well remain neutral in the case of armed conflict between Russia and the United States. He cited the example of the United States, which had remained neutral for quite a long period at the time of the two last world wars.

"It is quite possible," he added, "that if war broke out between Russia and the United States Canada might remain neutral and thus best serve its interests. If the United States were able to remain neutral at the time of the last two world wars, why could not Canada do the same in the next, third, world war? It would only be required to reverse the roles."

We are naturally concerned to know the real attitude of the Progressive Conservative party in that regard. I hope that when I read the two short phrases of the leader of the opposition about this great question of the peace of the world and the security of Canada I shall find some enlightenment there. I hope that they are clear enough to let the people of Nicolet-Yamaska know before February 7 where that party stands. There is to be a by-election in that constituency and according to reports in the same paper, *Le Devoir*, there is a gentleman there who has been nominated as the Progressive Conservative candidate.

Mr. Graydon: Is this all on the speech from the throne?

Mr. St. Laurent: It all has to do with the attitude to be taken by the Canadian people

on this primordial question of peace and security for the world. The recent issue of January 27 of this paper states:

Fait à remarquer: on ne trouve dans l'organisation du candidat conservateur à peu près personne de l'organisation centrale conservatrice. C'est une élimination presque complète.

M. Yvan Sabourin, leader provincial du parti, a apparu dans le comté avant le choix du candidat. Depuis, il n'y a pas remis les pieds. On nous assure qu'il n'y viendra pas d'ici la fin de la lutte.

Un organisateur de l'Union nationale...

The Union Nationale is the name borne by a party which is probably known to some of my hon. friends.

Mr. Drew: And which trimmed you down.

Mr. St. Laurent: To continue:

Un organisateur de l'Union nationale affirme que cela se fait "par ordre". Il ajoute qu'on ne veut "personne d'Ottawa. On ne veut pas les avoir dans les jambes. Pour eux, la meilleure manière de nous aider, c'est de ne pas venir nous nuire."

That could be translated as follows:

A remarkable fact is that we found no one in the organization of the Conservative candidate from the central Conservative organization. It is a complete elimination. Mr. Ivan Sabourin, the provincial leader of the party, appeared in the county before the choice of candidate was made. Since then he has not come back and we are assured that he will not come back between now and the end of the campaign. One of the organizers of the Union Nationale asserts that this is done by order. He says, "We do not want any one from Ottawa. We do not want to have to carry them on our backs. As far as they are concerned, the best way they can help us is not to come down here to cause us trouble."

That does create in the minds of some a feeling of some uncertainty as to just where the Progressive Conservative party in various parts of the country stands on this matter of a defensive pact for the western nations, which was referred to in the resolution passed by the convention. By the way, so there may be no mistake in identity I believe this Mr. Ivan Sabourin was either the proposer or the seconder of the candidature of the leader of the opposition (Mr. Drew) at the Progressive Conservative convention. I am sure that fact accredits him to a certain extent, and does give some people who see these various statements occasion to be a little disturbed as to the real situation.

Mr. Graydon: Particularly in Nicolet.

Mr. St. Laurent: Particularly in Nicolet; because the article goes on:

C'est, nous affirme une personnalité locale du parti, un *test case*. S'il réussit, on essayera de procéder de la même manière aux élections générales.

It, asserts an important personage of the locality, is a test case, and if that succeeds they will try the same thing at the general election. The Liberal party does not need any test case. Its attitude is right out in the open, and it is the same whether it be in Nicolet, in Toronto or in Winnipeg.

We really do want peace, and I believe the people of Canada really want peace. I think it was because the people of Canada really wanted peace that this parliament approved with such unanimity the signing by Canada of the charter of the united nations in 1945. We took the provisions of that charter seriously; we believed them to mean what the words written into the charter express. We felt that if it were implemented in the spirit in which it was written it would be a real instrument to give us the sense of security we required to proceed in the path our destiny seems to have set for us. We agreed with the statement in the purposes—

All members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered.

We felt that article 24 was something which would permit this charter to be fully implemented:

In order to ensure prompt and effective action by the united nations, its members confer on the security council primary responsibility for the maintenance of international peace and security, and agree that in carrying out its duties under this responsibility the security council acts on their behalf.

And we accepted the provisions of article 25:

The members of the united nations agree to accept and carry out the decisions of the security council in accordance with the present charter.

We attached much importance to the provisions of article 43, designed to provide the security council with the strength required to make any recalcitrant conform with its proper decisions for the maintenance of peace:

1. All members of the united nations, in order to contribute to the maintenance of international peace and security, undertake to make available to the security council, on its call and in accordance with a special agreement or agreements, armed forces, assistance, and facilities, including rights of passage, necessary for the purpose of maintaining international peace and security.

2. Such agreement or agreements shall govern the numbers and types of forces, their degree of readiness and general location and the nature of facilities and assistance to be provided.

3. The agreement or agreements shall be negotiated as soon as possible on the initiative of the security council. They shall be concluded between the security council and members or between the security council and groups of members and shall be subject to ratification by the signatory states in accordance with their respective constitutional processes.

We also relied upon the terms of articles 44 and 45. I need not take time at this moment to read them, but they provided the method by which the security council would

proceed to exercise its primary responsibility for the maintenance of peace and security throughout the world. But in spite of our reliance we collaborated with the other members to insert into the charter articles 51 and 52:

51. Nothing in the present charter shall impair the inherent right of individual or collective self-defence if an armed attack occurs against a member of the united nations, until the security council has taken the measures necessary to maintain international peace and security . . .

52. Nothing in the present charter precludes the existence of regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action, provided that such arrangements or agencies and their activities are consistent with the purposes and principles of the united nations.

Of course, all hon. members know what has been happening in the security council. At the meeting of the general assembly in October, 1946, speaking for the Canadian delegation I said:

We are particularly concerned that the security council and the military staff committee have so far failed to make substantial progress towards a conclusion of the special agreements with individual members required to implement articles 43 and those following of the charter and thus make force and other facilities available to the security council. We are all of us bound under the charter to refrain from using armed forces except as provided by the charter.

Then a little further down:

Canada, therefore, urges that the security council and the military staff committee go ahead with all possible speed in the constructive work of negotiating the special agreements and of organizing the military and economic measures of enforcement.

We were concerned at that time that the charter, heralded with such applause throughout the world, was not being completed in its organs and put into position to carry out the purposes and give effect to the principles of this potentially great instrument for the peace and security of the world. The next year again, speaking for the Canadian delegation at the meeting of the general assembly, I called attention to these facts in these words:

But the security council, founded on what is called the unanimity of its permanent members, has done little to strengthen the hopes of those who saw in it the keystone of the structure of peace. It has done much to deepen the fears of those who felt that, with the veto, it could not operate effectively in an international atmosphere of fear and suspicion, where pride is allowed to take precedence over peace and power over reason.

This veto privilege, attacked and defended with equal vigour, if it continues to be abused, may well destroy the united nations, because it will destroy all confidence in the ability of the security council to act internationally, to act effectively, and to act in time.

There is no point in deceiving ourselves. Our peoples cannot be expected to accept, indefinitely and without alteration, voting procedures and practices which, in the name of unanimity, underline disunity; and which reduce agreement to a lowest common denominator of action that in practice often means inaction.

Further down I read:

The fact remains, however, that these problems—

—the problems arising out of disputes and situations—

—must be solved and that procedures and practices which obstruct such solutions must be changed. This can be done by the voluntary abandonment of these practices; by agreed conventions or understandings which will regulate them; or, if necessary, by amendments to the charter. We must hope that no member of the security council will flout clearly expressed world opinion by obstinately preventing change and thus become responsible for prejudicing, and possibly destroying, the organization which is now man's greatest hope for the future.

Nations, in their search for peace and co-operation, will not and cannot accept indefinitely and unaltered a council which was set up to ensure their security, and which so many feel has become frozen in futility, and divided by dissension. If forced they may seek greater safety in an association of democratic and peace-loving states willing to accept more specific international obligations in return for greater national security.

Such associations, if consistent with the principles and purposes of the charter, can be formed within the united nations. It is to be hoped such a development will not be necessary. If it is unnecessary it will be undesirable. If, however, it is made necessary, it will take place.

I think it has been made necessary, and it is taking place. It is taking place not as the best solution for the problems of the world—the best solution would be the proper implementation of this world-wide charter signed at San Francisco. Unless and until those who signed that world-wide charter are prepared to respect their solemn obligations, the pledged sanction of their states which accompanied their signature, we have got to be content with something not quite as good, but which was foreseen in those articles of the charter which I have read.

The charter sets up the rule of law to be observed internationally as, in civilized countries, we expect the rule of law to be observed by our fellow citizens. This North Atlantic pact and the development of the Brussels pact also, sets up the undertaking of the signatories to avoid resorting to force or the threat of force in connection with possible disputes that may arise between them, and to apply the rule of law to such situations or such threats to the peace of the world as may arise.

There are quite a large number of the western democracies of Europe; there is the United States and there is Canada, who, we believe, are willing to put their signatures to a regional pact undertaking to have the rule of law observed between themselves as well as to unite their strength in the hope that their united strength will be sufficient

to deter any aggressor who might otherwise feel disposed to repudiate the solemn undertaking he signed at San Francisco.

There is no use deceiving ourselves or mincing words. We know that the people of the North American continent, that the people of the democracies of western Europe, fear there may be an aggression from this great power which was allied with us in the last war but which professes an ideology that would necessarily exclude the civilization under which our institutions have been established. We fear that those totalitarians who direct that great mass of human beings might attempt, by force, to impose their ideology upon the rest of the world. But we believe they are realistic, and we believe that, if we can negotiate with them from strength, they will be apt to feel there would be considerable risk in starting any war. We believe they will not start any war they are not confident they can win.

We believe that those we mentioned as the likely signatories of this North Atlantic pact have the potential strength, manpower, industrial know-how, material, the courage and desire to remain free men which would make it very doubtful that any aggressor could overcome them. We are forming or hope to form the alliance not for the purpose of having to fight together—of course we will if it is imposed upon us, but it is not for that purpose. Primarily, it is being formed for the purpose of doing that for which the charter of the united nations was signed at San Francisco in 1945.

It seems to me that any free man in any of our countries should have no greater hesitation in having his country become a party to that North Atlantic security pact than he had in having his country become a signatory to the San Francisco charter.

Now, that is the matter in the international field which His Excellency says, in the speech from the throne, is the first concern of his government. The second paragraph reports that, in spite of the unsettled and disruptive activities of international communism, the nations of western Europe are making progress towards recovery, and that North America is contributing substantially to the restoration of economic activity, thereby increasing their own power to resist aggression, either within or from outside. I think that is a statement which needs no development here. We all know that has been happening, and we know how effective it has been. From the elections that were held in Italy, we know what a partial restoration of economic activity in that country was able to do in repelling aggression from within.

It is said that an offensive for peace is now being pushed by the eastern powers. This has been mentioned by the communist leader in Italy as well as by the communist leader in France. If it is anything but a sham, those leaders have a wonderful opportunity, as Mr. Lippmann pointed out in an article which I think was in yesterday's newspaper, of demonstrating their sincerity. If they will instruct their fellows to help rather than resist the restoration of economic activity in their respective countries, then we may be able to believe that this peace offensive is more than a sham, and that it is the expression of some desire by the rulers of these totalitarian states to put an end to this enervating cold war that has been having such serious effects throughout the world.

At home the situation is one that the speech comments upon as being a cause for rejoicing and satisfaction. Just let me put three or four sets of figures on record in that connection. We say that the economy of the country is buoyant. Last year the gross national production, according to the best available statistics, was $15,500,000,000 as compared with something of the order of $5 billion or $6 billion in the years which preceded the war. The present estimates for 1949 are $16,550,000,000. The salaries, wages and supplementary labour income for 1948, or the amounts distributed to wage earners and salary earners, totalled $7,135,000,000. The estimate for 1949 is $7,810,000,000. The number employed in 1948 in civilian employments was 4,890,000 and, in the armed forces, 35,000. The estimate for 1949 is 4,966,000 in civilian employments and 42,000 in the armed forces. Those are figures which are significant of the activity which is prevailing in this country and they are, I think, a justification for the further statement that progress towards social justice for all in any country is an effective safeguard against the effect and influence of subversive doctrines.

The next matter dealt with in the speech from the throne is the union between Newfoundland and Canada. I think all hon. members in this house look upon that as an achievement, not an achievement of mine or of any one of our colleagues, but rather an achievement of the Canadian people in bringing about a situation where the people of Newfoundland desire to become associated with us as one nation. It is a matter which should be consummated by March 31. This afternoon I indicated what were the steps which must be completed before the union could become effective, and what would happen if those steps were not completed by March 31. I think there are quite a number of people in Canada and perhaps quite a number who are not yet Canadians but who, under this arrangement, will become Canadians, who will have noted the attitude of the

various parties in this house this afternoon upon this question of the union of Newfoundland with Canada.

It was suggested that, if there was any reason why any more time were required than would be available until March 31, after the discussion on the speech from the throne of all the various matters that were referred to by the hon. gentlemen who addressed you this afternoon, Mr. Speaker, and the other matters which you or the Deputy Speaker, who sat in your chair, found it would not be in order to discuss at this time, parliament should have been called together earlier.

I would remind hon. members that the terms of union which have been tabled and which will be submitted to this house for its consideration—and, if it sees fit, for its approval—were not arrived at in one or two days. Long and protracted negotiations took place in order to settle those terms. Those terms had been preceded by a fairly full proposal arrived at after months of deliberation last year. After the proposal had been approved by a majority vote of the people of Newfoundland in a referendum, the precise terms were under discussion here for upwards of two months, and the terms were not finally signed until December 11. I was the chairman of the Canadian committee that had to do with the negotiations with the representatives from Newfoundland; and I regarded the completion of that undertaking as something of consequence to the people of Canada, yes, and possibly of consequence to the people of the world. I felt that, so long as there was any hope that we could get that agreement into shape to have it for submission at this fifth session of the twentieth parliament, it was worth while working at it. We worked at it until December 11, and on that date we put our signatures to the document, subject of course to ratification by parliament.

After December 11 it would have been rather difficult, and not very convenient for the members of this house, if an attempt had been made to get them down here before Christmas. They might have arrived two or three days before Christmas; but I do not believe, Mr. Speaker, that there are very many of them who would have felt at all kindly towards a government that brought them down here at that time.

Mr. Graydon: The government did it last year.

Mr. St. Laurent: The hon. member for Peel (Mr. Graydon) has been here for some time. He knows that parliament is not called to meet the day after the proclamation is issued. He knows that a reasonable time must elapse between the issuing of the proclamation and the meeting of the house. Between December 11 and Christmas there were just fourteen days, or two weeks; and it would not have been possible to bring hon. gentlemen down here at that time. While the negotiations were going on, the attention of many members of the cabinet was devoted almost exclusively to the discussion of these terms of union.

Mr. Fraser: To election work.

Mr. St. Laurent: I think the hon. member should try to be a little bit more serious in the interruptions he sees fit to make.

Mr. Fraser: I know they were in my riding.

Mr. St. Laurent: We are discussing a matter which has concerned the Canadian people ever since confederation was mooted more than eighty-one years ago, and it has now reached the stage where it will be the responsibility of the hon. member who is making these interruptions, among others, to say whether it should be completed or not. It is my responsibility. I will not shirk it, and I will not blush for the way in which I discharged it, in recommending to my colleagues the date for the opening of parliament. I submit that the course I followed was a reasonable one, and I am quite prepared at any time to leave it to the public of Canada to determine whether or not it was reasonable under those circumstances.

Mr. Graydon: Whistling in the dark.

Mr. St. Laurent: The next paragraph in the speech from the throne deals with amendments to the Supreme Court Act to make the Supreme Court of Canada the court of last resort for Canadians.

There have been suggestions that this is something which constitutes a threat to the autonomy or liberty of the provincial governments. I had a compilation made of what has been happening in that regard for the last ten years. I asked for ten years but I got it for eleven. It is given from the year 1938 to 1948 both inclusive, and, unless my counting is wrong, that is eleven years. There were fifty-five cases in which appeals were asserted, or sought to be asserted, from judgments of the Supreme Court of Canada. In one case the appeal was withdrawn. In five the appeals were allowed. In forty-nine cases the appeals were dismissed and the judgments of the Supreme Court of Canada were affirmed. In no one of the five cases in which the appeals were allowed was there any constitutional issue between the dominion and the provinces. That is the record for the last eleven years in these fifty-five times

when Canadians went over to London to demonstrate that we in Canada were not able to settle our own affairs at home.

Mr. Green: May I ask the Prime Minister a question? Has he the figures for the appeals direct from the provincial courts to the privy council? Many of the appeals from British Columbia go right from the court of appeal to the privy council.

Mr. St. Laurent: I know. I have long deplored this apparent tendency of the litigants of British Columbia to take their disputes to the privy council instead of taking them to the supreme court at Ottawa, but I did not go into that because that did not appear to me to have any bearing upon this fear that what we were proposing was something that was going to be a menace to the autonomy or the prerogatives of the provincial governments.

Mr. Drew: I just want to put the record straight. It has nothing to do with the merits of the proposition that is being discussed. I am interested in the statement that there were no constitutional issues involved, in view of the fact that I have a vivid recollection of the Canada Temperance Act appeal being decided within a very recent period.

Mr. St. Laurent: I said that in the five cases where the appeals were successful there were no constitutional issues between the dominion and the provinces. In all cases where there were constitutional questions between the dominion and any of the provinces the judgments of the supreme court were affirmed as rendered here in Canada.

The next paragraph of His Excellency's speech has to do with navigation and power of the great lakes-St. Lawrence basin, and I am very glad to know that the leader of the opposition is in full agreement with our policy to press forward for that as speedily as results can be hoped for. Here I wish to compliment the hon. member for Essex West (Mr. Brown) on his modesty when he was speaking of the results of this development with respect to the Canadian economy. He spoke of there being a drop of 85 feet which would be capable, in addition to its benefits to navigation, of producing 2,200,000 horsepower, to be divided one-half to our United States neighbours and the other half to the good people of the province of Ontario. That is quite true, but it is only a part of the truth. That drop of 85 feet is the drop in the international section; but the complete drop from lake Superior to the port of Montreal is something over 550 feet, and the horsepower involved in the project to develop this basin for navigation and power purposes is of the order of something like five million.

There has already been developed in the Soulanges section by the Beauharnois power company, now controlled by the Quebec hydro, 750,000 horsepower, which has been at work for a number of years, and there is in process of development there an additional 500,000 horsepower, which will be ready at a very early date, making the power for the Quebec hydro from that development a million and a quarter, which can be increased by using over that head in the Soulanges section some of the water that is now being used less efficiently in existing plants. That will be done some day, so that the Beauharnois project will then be turning out two million horsepower.

At the time the project was considered, and even at the time the agreement of 1941 was entered into with the United States government, subject to ratification by congress and by this parliament, the Lachine section was looked upon as offering too costly a proposition for economic development.

Just about a year ago a commission was set up by the federal government to inquire again into the possibilities of developing the Lachine section. In October last the Minister of Transport (Mr. Chevrier) distributed the report obtained from that commission which was presided over by Mr. Henry and composed of Dr. T. H. Hogg, Mr. Arthur Surveyer, Mr. Guy Lindsay and Mr. C. W. West. In this report they came to the conclusion that there is 1,200,000 horsepower which can be developed just below the Victoria bridge in the city of Montreal at capital costs a little higher than the costs of the capital installations in the other section of the St. Lawrence, but that, in view of the fact that it will not be necessary to have huge transformers to step up or step down this power, and it will not be necessary to have transmission lines to make it available to consumers, and there will be no losses in transmission, the cost of that power to the consumer will not be any higher than the cost of the power from the international section to the consumer of Ontario. So that here we have in this project, in addition to the navigation facilities, the opportunity of there being made available to the industries of these two central provinces of Canada something over three million horsepower.

The leader of the opposition knows better than I do that the increasing demand for power in his province is at the rate of one hundred thousand horsepower a year, and that, without the one hundred thousand horsepower a year, the development which is

now proceeding in his province could not proceed at the same pace. So that we have good reason, whether we be of his province or of my province, to see in this prospective development an earnest of the great continued industrial development in our respective provinces. I hope that the attempt being made in the congress of the United States at this time to have the agreement of 1941 approved will turn out to be successful.

I think it is only fair for us to say that if we cannot at this time get implementation of this agreement for the double-barreled purpose of navigation and power, the value of the power is so great that we shall have to give very serious consideration to going ahead and developing it on the power side alone—which would be amply justified, I think, by the economic benefits which could be derived from the power alone.

The next paragraph deals with the legislative provisions necessary to implement agreements for the sale of agricultural products to the United Kingdom. One hon. member this afternoon was most anxious that there be an opportunity to discuss problems of the agriculturists in the western provinces. He was, I am sure, happy to note, if he did note it, that the first step for the presentation of this legislation to the Canadian parliament was taken this very afternoon. I shall not enter into the details of it; and I am not sure that if the hon. member were to read the views of Sir John A. Macdonald on the proper scope of a debate on the address in reply to the speech from the throne he would not come to the conclusion that he had better wait until this legislation is before parliament to discuss the matters to which he was referring this afternoon.

With respect to the international trade agreement, the charter for the international trade organization, and the efforts being made by the government, its commissioners and staffs abroad to remove specific obstacles to the sale of our goods in our traditional markets, I shall not say anything at this time, beyond pointing out the fact that there is a continuing committee which was established by the governments of the United Kingdom and Canada, when Sir Stafford Cripps was here in the autumn, to supervise the trend of trade between our two countries. This committee is at this very moment sitting in London, the meeting having been convened there on January 25.

At this time I would say that I believe there are things in our relations with our good friends of the United Kingdom which are more important than the specific terms of any one of these special agreements. I think they mean to treat us fairly, and I think it is very important that we treat them fairly. There have been some reports of actions taken by us and of actions taken by them which have left an unfortunate impression as to the genuine desire existing on both sides to have as full and as cordial trading relations with each other as possible. I believe the continuing committee will be able to achieve for us in that field, as well as in the field of the actual shillings and pence or dollars and cents involved, very beneficial results.

We have found ourselves in pretty tight corners more than once in world affairs. We have been proud to stand shoulder to shoulder, and we have been successful because we were standing shoulder to shoulder. In spite of our best hopes for the future of the world, mankind being what it is we cannot be sure that in the future there will not be other tight corners for us to stand in. I think it is most important that we conserve, with respect to each other, the feeling that we deal fairly with each other, that we are pretty good people with whom to have collaboration, and that it would be most unfortunate if, as the result of reports they get of what is going on elsewhere, our people were to come to the conclusion that we were being let down by the people of the United Kingdom.

I do not think we are. Under very difficult circumstances I think they are doing their best, and this matter of the balance of payments and dollar shortage is something which is real. So far as we were concerned, we knew it was real just a little over a year ago. We had to take measures which were distasteful to us and distasteful to the Canadian people. But at that time we planned a course which has succeeded. Perhaps we have been fortunate; but things have turned out as we planned them. And over the period which has elapsed since the putting into force of our restrictions, our reserves of United States dollars have doubled. We felt it was necessary to the economic security of this country to have them doubled.

We must realize that those having the responsibility for the economic security of other countries are entitled to take the measures which appear to them inevitable to attain that degree of security their people expect from them.

Something has been said about the fact that during the war the urgency of the danger made it necessary for the federal government to encroach upon the field normally reserved to the provincial authorities. This is so. We had to do it, to a large degree, as a consequence of the necessity of warding off the danger which threatened our very existence. That was recognized by my hon. friend the leader of the opposition (Mr. Drew). I wish to pay him that tribute. He made no com-

plaint about what we did under the War Measures Act, even though it did invade the field which normally was within the jurisdiction of the government of which he was the head.

Since the war ceased, we have been trying to get out of the fields we had thus entered, and we have been doing it at a rate which not so long ago a great many members in this house were charging had been too rapid. At the present time we have a few small controls which it appears necessary to maintain, unless they are exercised by some other authority.

There is steel control. Steel control, in my view, does not require the existence of a war emergency for its justification in the hands of the federal authority, if in fact steel is a material in short supply. The defence of Canada is a matter of federal jurisdiction at all times; the defence of Canada requires watchfulness and preparation at all times. Steel is an indispensable material for the proper organization and maintenance of those forces which it is the responsibility of the central government to keep in existence. Anything that is necessary incidentally to the exercise of federal jurisdiction can be done by federal authority; and if it is necessarily incidental to the proper equipping of our armed forces to have a certain proportion of the steel in short supply in Canada, then from my reading of the constitution and my reading of the decisions under the constitution we are, I believe, justified in maintaining that control.

We do not like to maintain any kind of control any longer than it appears to us to be absolutely indispensable. At the same time we come before parliament asking parliament to continue the legislation under which we can exercise this control over steel. We come to the Canadian parliament and say, "Authorize us to make an agreement with the producers of steel to increase their productive capacity so that this short supply situation which justifies the existence of the control may be done away with."

There have been charges about the centralizing tendencies of this government, but I would invite hon. members of any opposition to cite a single instance, since the end of the war, where the central authority has attempted to go beyond the limits prescribed by the constitution. It is all very well to make broad assertions, but the whole tendency of this government since the cessation of active fighting has been to withdraw from those fields where during the war it had to invade the ordinary jurisdiction of the provinces.

With respect to the control of domestic rental housing, in October last the federal government wrote to every provincial premier saying we felt that we would have to ask parliament to continue for a further period the legislative authority to exercise this control, but that if they chose to resume their jurisdiction, whether they maintained the controls or not, which was their own business, we would immediately withdraw.

What has been the situation with regard to that? I fear that if controls over domestic rentals were withdrawn at this time it would create a pretty chaotic situation in a great many large industrial centres of Canada. We have been building a lot of housing. Since the end of the war, I believe, 278,000 units have been erected. There were more erected last year than in any previous year in the history of Canada. But our economic prosperity, whether there be any inflationary elements in it or not, is increasing the demand for housing a lot faster than materials and manpower can provide the houses.

Although very large numbers are built each year, the net increase in family units in Canada keeps just a little bit ahead of the central mortgage and housing corporation and the others who are engaged in providing housing units. The result is that at the present time rental housing is still at a premium. Human nature being what it is, I fear that if there were no control, or if the control were immediately lifted, a great many Canadians would be exploited as a consequence of the shortage of housing. It is clearly something which is normally within provincial jurisdiction. But we put on the controls and I do not think we would be discharging our duty as humanitarian Canadians to the Canadian public if we took them off without those who normally have jurisdiction assuming the responsibility of either maintaining them or removing them in their respective localities.

What has been the result? The administration of controls is not a comfortable or easy thing. It does not bring in any revenue and it does not bring in very much glory. Those who have had to do with it have not had very much satisfaction in that respect. The premiers of the provinces realize what the situation is. They realize that we have caught hold of a lion's tail and we do not want to let go until somebody else grabs it. They say that they are not going to grab it.

Therefore it happens that we are going to have to ask parliament to extend for a further period our right, our privilege, of exercising this control over the rental of domestic housing.

On motion of Mr. St. Laurent the debate was adjourned.

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

HOUSE OF COMMONS

Monday, January 31, 1949

The house met at three o'clock.

THE LATE NORMAN JAQUES

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am sure that in common with all the other members of this house you were shocked to learn this morning of the death of Mr. Norman Jaques, member for the electoral district of Wetaskiwin. We knew that some years ago Mr. Jaques had suffered from a serious coronary attack, but he seemed to have made a complete recovery. From his appearance in the house last week, one would have judged he was enjoying his usual good health. I understand he had a slight coronary disturbance on Thursday evening, but afterwards had been resting rather comfortably. But a further attack developed in the early hours of this morning, and it proved to be fatal.

Mr. Jaques was first elected to this house at the general election of 1935, and was re-elected at both general elections in 1940 and 1945. Those of us who were here during those years know that he was constant in his attendance in the house and took an active interest in its proceedings and in the proceedings of many of its important committees. On many matters he held strong views which most of us did not share, but no one could doubt his sincerity or his earnest desire to be of service to his fellow Canadians in the advocacy of those views. In his relations with other members of the house he was always most courteous. I am sure he will be remembered as an earnest, painstaking and courtly gentleman who served his constituents and his fellow citizens with zeal and devotion.

I wish to express to the members of the Social Credit group our deep sympathy. I am sure I shall also be expressing the wish of members in all parts of this house when I ask you, sir, to convey to Mrs. Jaques and to her two daughters, the assurance of our sincere condolence in their bereavement.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to associate myself with the words of sympathy uttered by the Prime Minister in regard to the untimely death of Mr. Jaques. I did not have the opportunity of knowing Mr. Jaques, but I join with the Prime Minister in extending deep sympathy to Mr. Jaques' family and to those who were so closely associated with him in this house. I concur in the suggestion that a message be conveyed to Mrs. Jaques and her daughters in the terms expressed by the Prime Minister.

Mr. M. J. Coldwell (Rosetown-Biggar): May we join with the Prime Minister (Mr. St. Laurent) and the Leader of the Opposition (Mr. Drew) in expressing our sympathy to Mrs. Jaques and her two daughters in their sudden bereavement. We often disagreed fundamentally, and sometimes violently, with the late member for Wetaskiwin. None the less we do know that the views he expressed in this house were held sincerely and arose from deep conviction, and for this we respected him, as we respect any member who speaks from sincerity and conviction. We therefore join in expressing to the Social Credit group, as well as to the widow and family, our sympathy in the sudden loss they have all sustained.

Mr. Solon E. Low (Peace River): Mr. Speaker, there can be no more striking evidence of the integrity of the members of this house than the sincere and earnest tributes that are paid to an hon. member who has passed away, in spite of the fact that those expressing them may have held strongly divergent views. I wish to join with the Prime Minister (Mr. St. Laurent) and with the leaders of the other two parties in expressing our sincere regret at the passing of our friend and colleague, Mr. Jaques.

We were shocked to learn of his passing at an early hour this morning. Mr. Jaques arrived in the city last week to attend the present session of parliament, apparently in very good health. He was in this chamber on Thursday, and no one at that time had the remotest thought that that would be his last day in this house.

On Thursday evening, as the Prime Minister has already stated, Mr. Jaques suffered a slight coronary seizure, which at that time was not considered to be unduly serious. There seemed to be good reason to expect an early recovery, but a more serious and intense seizure, which occurred at two o'clock this morning, within a period of ten or fifteen minutes proved fatal.

Mr. Jaques was born in England. He came to Canada when he was twenty-one years old

and took up farming in central Alberta, where he lived for the remainder of his life. He was always a reformer. For that reason, when Major C. H. Douglas of Scotland first issued his economic analysis Mr. Jaques was attracted to the new philosophy and at once became a keen student, not only of economics but of world affairs. He pioneered in the organization of the Social Credit movement of the world.

As has already been attested by those who have spoken, my colleague was a man of deep convictions. His determination was unshakable. These qualities, together with a high degree of personal courage, often drove him into vigorous debate as well as into strong denunciation of what he firmly believed to be social injustices or real threats to the peace and happiness of the people of the world. In spite of the fact that much personal criticism was directed to him, often amounting almost to character assassination, he stuck to his convictions, and to the very end continued in what he thought was his duty to humanity.

I found Mr. Jaques honest, sincere, humble, and ready to learn, in spite of his rock-like stubbornness when he thought he was right. There was in him in rare measure, I also found, a deep love for his fellow men and a respect for their individual rights. In my duties as leader of the Social Credit movement, I found Mr. Jaques loyal and always ready to carry the battle forward.

Almost six years ago in his home in Alberta he suffered a coronary occlusion which resulted in his being confined to bed for several months. He knew that his health was seriously impaired as a result of that seizure. But in spite of that knowledge, his conviction and his concern about the steady deterioration of world affairs drove him like a goad, with the result that he remained active all through these years. No doubt the strain of that activity contributed to his death.

We, his colleagues in the Social Credit movement, mourn his passing. We have lost in him a devoted advocate and a warm personal friend. Our deep sympathy goes out to Mrs. Jaques and her two daughters, in the loss of husband and father, and to all bereaved friends and relatives. I am sure Mrs. Jaques would want me to thank all those who have so generously tendered their condolences and expressions of sympathy. This I do.

Mr. A. L. Smith (Calgary West): As a member of the party to which I have the honour to belong, and coming from the province in which Norman Jaques so long made his home, I am anxious to join in the tributes paid to him on the occasion of his sudden death. We who were best acquainted with him always knew that he was serious, even when in advocating a principle he stood alone. Then, more than ever, we admired his courage in that advocacy.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, two remarks that were made to me rather casually within the last hour or so I thought might express fairly well the general opinion of those who knew Mr. Jaques. One member of the opposition, although not a member of the Social Credit group, said to me "Too bad about Mr. Jaques. He was the very soul of integrity". A few minutes later one of the messengers who knew Mr. Jaques met me in one of the corridors and said, "I am sorry about Mr. Jaques; he was such a nice, quiet man."

Mr. Jaques was always a diligent, industrious worker and student. He wrote great numbers of letters; wherever there was a hint of an opening he sent one to a newspaper, a periodical or an individual. He read widely and voraciously. He spoke at a public meeting whenever an invitation came from anywhere on the American continent. He therefore became well informed and full of understanding. He was an able speaker and writer.

He was honest in the extreme.

He was a man of resolute courage. With his heart attack, which has already been referred to, I need not deal at all. For a good many years I have feared that we might lose Mr. Jaques as we now finally have lost him.

After his illness Mr. Jaques put himself under severe self-discipline in order to do the work he felt he should do in this house. He strove in every way he knew to recover his health; but he kept fighting on. Many a time I have sat by his side in this house while he spoke, holding his chair that he might support himself against its arm, and fearful that at any moment he might collapse in the chamber. In debate he was greatly handicapped. His voice did not carry well. His fine English, gentlemanly habits rendered it foreign to his impulses that he should engage in wordy battles. Despite those handicaps he persevered and drove home his message, frequently at the risk of his life.

He was loyal to his leader. Throughout the ten trying years during which I was charged with the responsibility of leading the Social Credit group in this house, Mr. Jaques stood steadily behind me. He often wrestled with me long and sternly over points of political strategy, or concerning certain forms of the practical application of the fundamental principles of social credit; but when the need was greatest, he was with me. Since the hon.

member for Peace River (Mr. Low) assumed the leadership, Mr. Jaques has been just as loyal to him.

Mr. Jaques was loyal to principle. He regarded the founder of social credit, Major C. H. Douglas, as a sort of inspired prophet heralding across the world the vital doctrines of a new gospel of freedom and security from want and fear; a prophet calling the peoples, particularly the Anglo-Saxon peoples, to repentance from their unpardonable sins of selfishness, ignorance and blindness: calling them to awaken, to realize how rich are the material gifts with which their God has endowed them; how greatly, through the Anglo-Saxons, all families of the earth could be temporally blessed, and how fearful will be the responsibility upon the Anglo-Saxons if they fail.

Mr. Jaques always gave me the impression that he looked upon himself as being called as a sort of apostle of the new economics of abundance and equitable distribution. If he did so, then he magnified that calling ably and well.

In the midst of the battle he has fallen. The torch he so bravely held aloft must still be borne forward. Never in human history has the need been more urgent for enlightenment concerning the principles of social credit for which he stood. Social credit's quarrel with the foe must be carried deeper and deeper into the ranks of the opposition. Mr. Jaques has gone to his rest. But others must carry on.

His wife and children will be able to endure their bereavement the better knowing that throughout his life the husband and father did his full share so well.

MINES AND RESOURCES

TABLING OF ANNUAL REPORT FOR 1947

Hon. J. A. MacKinnon (Minister of Mines and Resources): Mr. Speaker, I am informed that the annual report of the Department of Mines and Resources for the year 1947 was not received until after the close of the last session. I am therefore tabling it now.

CIVIL SERVICE ACT

PREFERENCE TO COMPETITORS SPEAKING BOTH LANGUAGES

Mr. Bona Arsenault (Bonaventure) moved for leave to introduce Bill No. 5, to amend the Civil Service Act (examinations).

Some hon. Members: Explain.

Mr. Arsenault: This bill provides an amendment to section 29 of the Civil Service Act by adding the following subsection:

(3) In preparing the list mentioned in subsections one and two of this section, the commission shall, for appointments to positions in the province of Quebec, give preference to the competitors who have, by the examination, been shown to be capable of speaking and writing correctly the French language and who have been shown at the same time to have a working knowledge of the English language, and shall for appointments to positions in the other provinces give preference to the competitors who have, by the examination, been shown to be capable of speaking and writing correctly the English language and who have been shown at the same time to have a working knowledge of the French language.

The reason for this amendment is to promote the learning of both official languages of our country, by Canadians of both English and French extraction, especially among those who seek positions in the civil service. Therefore this bill, if enacted into law, would be a contribution to better understanding between French and English speaking Canadians, and a means of promoting national unity.

Mr. Church: That is contrary to the British North America Act, is it not?

Motion agreed to and bill read the first time.

REVISED STATUTES OF CANADA ACT

SUBSTITUTION OF "CANADA" FOR "DOMINION OF CANADA" ETC.

Mr. Bona Arsenault (Bonaventure) moved for leave to introduce Bill No. 6, to amend an act respecting the Revised Statutes of Canada.

Some hon. Members: Explain.

Mr. Arsenault: This bill provides an amendment to subsection 1 of section 5 of the act respecting the Revised Statutes of Canada, adopted at the last session of parliament. The change proposed consists in the addition thereto of the following words:

. . . and whenever in the said statutes or acts, or amendments thereto, the expression "Dominion of Canada" is used, there shall be substituted therefor the expression "Canada" and whenever the word "Dominion" is used, there shall be substituted therefor the word "Canada" or "Canadian" or "federal", respectively, or such other adequate word as the context requires.

The reason for this amendment is obvious. In view of the actual constitutional position, Canada, like the other countries of the commonwealth of nations, has ceased to be a dominion and is now a sovereign state. Therefore, since Canada has become an autonomous and sovereign state, the word "dominion" as applied to Canada has lost its original meaning.

Moreover, the use of the word "dominion" as applied to Canada gives a false impression as to the present constitutional position of our country, because it denies recognition of the

autonomous status of Canada and implies the idea of subordination of Canada to another country.

Therefore the word "dominion" should be eliminated from our statutes.

Motion agreed to and bill read the first time.

TARIFF BOARD

QUESTION AS TO APPOINTMENTS

On the orders of the day:

Mr. H. W. Timmins (Parkdale): I should like to direct a question to the Minister of Trade and Commerce. Why is the tariff board not fully constituted at this time so that it may function as a board? When may we expect the necessary additional appointments to be made to the board so that it can function?

Hon. Douglas Abbott (Minister of Finance): Perhaps I had better answer the question, since the tariff board is under my jurisdiction. I hope it will be possible to reconstitute the full board in the near future. The matter is being given active consideration.

COMBINES

WESTERN CANADA BREAD BAKING INDUSTRY—GOLDENBERG REPORT

On the orders of the day:

Mr. J. O. Probe (Regina City): Will the Minister of Justice be kind enough to inform the house what steps have been taken by him to follow up the charges contained in the Goldenberg report on the bread baking industry of western Canada, that there appears to be a price-fixing combine in Saskatchewan, Alberta and British Columbia?

Hon. Stuart S. Garson (Minister of Justice): On its publication the report of the special commissioner appointed under the Combines Investigation Act was referred immediately by us to the attorneys general of Saskatchewan, Alberta and British Columbia, to see if they would be prepared to, or wished to, exercise their provincial rights and prosecute. They indicated that inasmuch as several provinces were involved they would prefer to have the dominion government assume the responsibility for the prosecution. Therefore counsel was immediately appointed with instructions to review the report and the evidence and to advise me on the course of action he considered justified. I am now awaiting the advice of counsel.

Mr. Smith (Calgary West): Who is he?

Mr. Garson: Mr. C. S. Blanchard, K.C., of Alberta.

[Mr. Arsenault.]

PUBLIC SERVICE

PREVAILING RATES EMPLOYEES—SICK LEAVE, HOLIDAYS AND OVERTIME PAY

On the orders of the day:

Mr. J. T. Richard (Ottawa East): I should like to direct two questions to the Minister of Finance. Has any decision been reached with reference to the recent submission made on behalf of prevailing rates employees about sick leave, holidays and overtime pay? Will the government give the part-time and full-time House of Commons temporaries and prevailing rates employees and public works employees an increase in pay similar to that allowed the temporaries and permanent civil servants?

Hon. Douglas Abbott (Minister of Finance): In reply to the first question, the matter is still under consideration. As to the second question, of which I received notice just before coming into the house, I have not yet had time to verify this, but I believe the matter is under the jurisdiction of the internal economy commission. I shall look into the matter and make sure that that is so.

SUPERANNUATED CIVIL SERVANTS

COST OF LIVING BONUS OR OTHER SUPPLEMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Minister of Fisheries. In view of the reported promise made by the minister, in Victoria, to take up with his colleagues in the government the plight of superannuated civil servants, can the minister say what progress he has made in securing reconsideration of their request for a cost of living bonus or other supplement?

Hon. R. W. Mayhew (Minister of Fisheries): I would refer the hon. member to page 42 of *Hansard* for the present session, where the Minister of Finance answered this question the other day. I am greatly concerned, as are all hon. members, about people whose fixed standard of income places them on a substandard level.

Mr. Knowles: Substandard is the right word, all right. May I ask a supplementary question of the Minister of Finance? Is the minister aware of the fact that some private corporations—and at least one provincial government, namely, Saskatchewan—are paying a cost of living bonus to their superannuated employees?

Mr. Abbott: I am not aware of the fact, Mr. Speaker. It may well be true.

Mr. Speaker: I do not see any urgency in the question. It is of the kind which should be placed on the order paper.

Mr. Knowles: It is extremely urgent to the people affected.

CRIMINAL CODE

COMMISSION TO CARRY OUT REVISION

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Justice. Toward the end of the last session the then minister of justice said that a committee or commission would be set up for the purpose of revising the criminal code. Has that committee or commission been set up? Who are the members that have been appointed to it?

Hon. Stuart S. Garson (Minister of Justice): The answer is, Mr. Speaker, that the commission has been set up. The commissioners are Chief Justice Martin, of Saskatchewan; Mr. Justice Fauteux, of Quebec, and Mr. F. P. Varcoe, K.C., deputy minister of justice. The legal committee assisting the commissioners are Mr. J. J. Robinette, K.C., Toronto; Mr. Fernand Choquette, K.C., Quebec; Mr. H. J. Wilson, K.C., deputy attorney general for Alberta; Mr. Joseph Sedgwick, K.C., of Toronto; Mr. Robert Forsyth, K.C., one of the officials of the Department of Justice, and possibly a member to be appointed from the maritime provinces. In addition the commission will have available the services of Mr. Arthur G. Slaght, K.C. as consulting counsel.

EDUCATION

INQUIRY AS TO FEDERAL GRANTS IN AID

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): I should like to ask a question of the Minister of Labour. In view of the urgent need of financial assistance for education generally and teacher training in particular, is the government considering federal grants in aid to the provinces for education?

Hon. Humphrey Mitchell (Minister of Labour): The hon. member probably knows as well as I do that, constitutionally, education comes under the jurisdiction of the provincial governments. It is true that we have agreements with various provinces providing for assistance in vocational education. The government is not considering entering the field of teacher training or general education in any of the provinces. In the light of what we have heard so far this session I think my hon. friend will understand the implication of what I have just said.

FLAX

FLOOR PRICE FOR CROP YEARS 1949 AND 1950

On the orders of the day:

Mr. William Bryce (Selkirk): I should like to ask a question of the Minister of Trade and Commerce. Does the government intend to maintain a floor price on flax for the crop years 1949 and 1950? If so, when will the policy be announced? Farmers are now making arrangements for the purchase of their seed requirements.

Mr. Speaker: I suggest that hon. members be very careful to observe the rules of the house. They know perfectly well that a question of the kind which should not be asked on the orders of the day should be placed on the order paper.

Mr. Coldwell: May I respectfully suggest that the farmers are now buying their flax for seeding purposes in the spring, or are making arrangements for it? There is urgency in the question.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, with your permission, I have no objection to answering the question. The matter of a floor price for flax is under consideration. But I may say that any farmer who is in doubt about purchasing seed for the next crop should bear in mind that flax is in surplus supply in every producing country of the world, and the prospects for flax today are not favourable.

FOX FARMING

REQUEST FOR ABOLITION OF SALES AND EXCISE TAX ON SILVER FOX FURS

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I should like to ask a question of the Minister of Finance. Has the minister received from the Canadian National Silver Fox Breeders Association a submission asking for the abolition of the sales and excise tax on silver fox furs?

Hon. Douglas Abbott (Minister of Finance): Yes, I have received such a submission.

FREIGHT RATES

REPRESENTATION OF ONTARIO BEFORE TRIBUNALS OF INQUIRY

On the orders of the day:

Mr. G. A. Cruickshank (Fraser Valley): I should like to ask a question of the Minister of Transport. Was the province of Ontario represented in the freight rates inquiry last year, and is it represented in the present appeal?

Inquiries of the Ministry

Hon. Lionel Chevrier (Minister of Transport): My recollection is that they were not last year, and that they are not this year.

Mr. Cruickshank: I did not think they would help British Columbia and the west.

HOUSING

REQUEST FOR COMPLETION OF PROJECT IN ALBERTA

On the orders of the day:

Mr. C. E. Johnston (Bow River): I should like to ask a question of the minister of reconstruction. What steps are being taken to see to it that houses which are being constructed by the Bow River Construction Company of Calgary, under the authority of the National Housing Act, are completed immediately?

Some hon. Members: Order.

Hon. Robert H. Winters (Minister of Reconstruction and Supply): I shall have to take the hon. member's question as notice. In the first place, I did not hear the question, and in the second place, I shall answer when I see it.

Mr. Johnston: I should be only too pleased to repeat it.

Some hon. Members: Order.

VETERANS AFFAIRS

QUESTION AS TO INCREASED GRANTS FOR UNMARRIED STUDENTS

On the orders of the day:

Mr. Rodney Young (Vancouver Centre): I should like to ask a question of the Minister of Veterans Affairs. Has the minister under consideration any measure to effect an increase in the basic training grant to single student veterans in training under the Department of Veterans Affairs?

Some hon. Members: Put it on the order paper.

Hon. Milton F. Gregg (Minister of Veterans Affairs): The house will recall that last spring an increase was authorized in the amount designed to assist student veterans to maintain their dependents. Since that time I have kept under study the whole matter of university training for single and married veterans, and as a result I do not propose to recommend an increase in the basic rate at this time.

[Mr. Cruickshank.]

POSTAL SERVICE

AIR MAIL—REGULATIONS AS TO FIRST-CLASS MATTER—USE OF FRANK

On the orders of the day:

Mr. F. D. Shaw (Red Deer): I should like to ask a question of the Postmaster General, in view of the fact that there is widespread confusion as to the practical application of regulations governing the air transport of first-class mail. Will the minister at an early day make some clarification of the existing regulations, and at the same time indicate the status of letters sent post-free to members of parliament, and letters dispatched by members of parliament bearing the House of Commons frank?

Hon. Ernest Bertrand (Postmaster General): I shall take the hon. member's question as notice, because it is a lengthy one. A full answer will be given within a few days.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, January 28, consideration of the motion of Mr. D. F. Brown for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, when the house adjourned on Friday evening I had just made the assertion that while the federal government had expressed its willingness to ask for legislation allowing it to withdraw from the field of rental control in any province where the government and legislature chose to assume legislation in that respect, whether it proposed to continue controls or not, I think it is only fair that I should refer to the correspondence in that respect, and that after doing so I should table such correspondence so that it may be available in complete form to members of the House of Commons who might wish to refer to it.

On October 23 the Minister of Finance (Mr. Abbott) wrote to the premiers of the nine provinces. Eight of these letters were written in English, and one in French to the premier of Quebec. The letter in English to the eight provinces is as follows:

In a press statement yesterday with regard to rent control, I announced that the federal government intended to ask parliament for power to extend rental control for a further twelve months beyond March 31, 1949.

I went on to say—

Then the minister quotes the statement he had made the day before. His letter continues:

At the same time the federal government is prepared to vacate the field at any time after March 31, 1949, to any province which may decide to undertake rent control. Normally, rent control would come under provincial jurisdiction and is peculiarly suitable for provincial or local administration because of the immovable nature of real property. The federal government is anxious not to stand in the way of any province which believes that rent control can be better undertaken and administered locally.

The constitutionality of continuing federal rent control has already been questioned and is now before the courts. The federal government does not wish to do anything to prevent any province from making provisions to deal with the situation that would arise should continuing federal rent control be held invalid and is prepared not only to make available to any province the records, information and experience of the federal rental administration with all available staff, but also, subject to parliamentary approval, to pay the cost of any provincial rental administration for one year.

This announcement of policy is being made at this time so that any provincial government which wishes to do so will have sufficient time to prepare legislation for presentation to its legislature before March 31, 1949.

I am writing to you at this time to say that if your government should decide to introduce provincial legislation relating to rent control, the federal government will be prepared to vacate the field at any time after March 31, 1949, to put at your disposal the records, information and experience of the federal rent administration with all available staff and, if parliament approves, to pay the costs of your provincial rent administration for one year.

May I add that the rentals administrator of the wartime prices and trade board has been instructed to make himself available to you for consultation in connection with provincial legislation relating to rent control.

On November 6 the premier of British Columbia acknowledged receipt of that letter and wrote in the following terms:

This is to acknowledge receipt of your letter of October 23 with reference to rental control.

I may say that the province has not considered as yet the advisability of entering the rental control field.

I would like to take this opportunity of thanking you for advising me of the federal government's stand in this regard as well as for their co-operation should British Columbia decide to introduce rental control measures.

With kindest personal regards . . .

On January 13 the Minister of Finance wrote the premier of British Columbia a letter which I shall read and which I shall refer to as having been written in similar terms to the other premiers. This reads:

On November 6 last you acknowledged my letter of October 23 regarding the extension of rent control, and said that the province of British Columbia has not considered as yet the advisability of entering the rental control field.

The federal government is now making plans for the forthcoming session of parliament, during the early stages of which action must be taken to extend federal rent control if it is not to lapse after March 31, 1949. As soon as possible, therefore, I would like to know if your government has decided to request that federal rent control be discontinued in your province after that date.

May I repeat my assurances that the federal government is anxious not to stand in the way of any province which believes that rent control can be better undertaken and administered locally.

To that letter the premier of British Columbia replied on January 18 as follows:

I have for acknowledgment your letter of January 13 and note what you have to say regarding rent control.

First, I may state that it is not the intention of the province of British Columbia to enter this field, as it is felt that it is one which rightfully belongs to the federal government. I feel that perhaps your officials are better able to advise you as to the need for rent control, since they have been dealing with this matter for so long. Consequently it is not the intention of the government at this time either to introduce rent control legislation or to make any representations in regard to this project.

Yours faithfully,

Byron I. Johnson,
Premier.

A similar letter to that of the letter of October 23 was written to the premier of Alberta. He replied on November 3 that a further study would be given to it, but, no reply having been received, a letter similar to the one I have just read was dispatched to him on January 13. On January 18 he replied as follows:

Dear Mr. Abbott:

I have for reply your letter of January 13 in further reference to the offer of your government to the provinces to assume control of rentals.

Since my letter of November 3, this matter has been considered in detail and I now am in a position to notify you that the government of Alberta does not propose to enter into the control of rentals.

Yours very truly,

Ernest Manning,
Premier.

Similar letters were addressed to the premier of Saskatchewan. The first one was acknowledged by the premier's secretary in his absence, and the second one of January 13 has not yet been answered. Similar letters were addressed to the premier of Manitoba, but they have not yet been answered.

Similar letters were addressed to the premier of Nova Scotia, and so far they have remained unanswered.

The premier of Prince Edward Island acknowledged the first letter on October 29, and on January 17 he replied to the letter of January 13 in the following terms:

Dear Mr. Abbott:

Thank you for your letter of January 13 regarding continuance of rent controls.

The government of Prince Edward Island does not believe that rent control can be better undertaken and administered locally, and consequently will not request that federal rent control be discontinued in this province after that date.

Yours very truly,

J. Walter Jones,
Premier.

Premier McNair of New Brunswick acknowledged receipt of the first letter on November 1, stating he would advise in due course what decision was arrived at. He did so on January 11, which was before the date on which these other letters were dispatched to the other premiers. His letter was in the following form:

Dear Mr. Abbott:

With further reference to your letter of October 23 regarding rental control, I wish to advise that I have now had an opportunity to discuss the matter to some extent with my colleagues.

It was drawn to their attention that, as set out in your letter, the federal government intends to ask parliament for power to extend this control for a further period of twelve months from March 31 next.

It is our feeling that this extension may adequately meet the situation in this province. At any rate there is no present disposition on our part to enter this field. Should there be any change of attitude in this regard I shall advise you accordingly.

Yours sincerely,

John B. McNair.

The correspondence with the premier of Quebec was quite lengthy. It was carried on in French, and it will be tabled and made available for all those who care to see it in that language. There was an acknowledgment of the letter of October 23 on October 29, and then on November 3 Premier Duplessis wrote to the Minister of Finance as follows:

Mr. Minister:

Pursuant to the reply which I sent you on October 29, I communicated today to my colleagues, at a meeting of the executive council of the province, your letter of October 23 regarding rent control. It would seem necessary for us to obtain more precise details and explanations.

The federal government, you say, proposes "asking parliament for power to continue the rental control for a further period of twelve months after March 31, 1949."

Evidently, the definite terms of this legislation will not be known until after it has been adopted by parliament and sanctioned by His Excellency the Governor General, but do you not think it would be reasonable under the circumstances that we should know the federal government's plans in this connection? Incontestably it is impossible to make a decision on legislation when we do not even know the previous legislative plans.

You declare in your letter that "the constitutionality of continuing federal rent control has already been questioned and is now before the courts." Tradition and a recognized practice make it impossible to discuss cases which are before the courts, and it would not be suitable or advisable at the present time to express our opinion in the matter of the constitutionality of federal rent control. However, it is evident that the final verdict of the courts on this matter could change completely the present picture.

You write that "the federal government is prepared to vacate this field at any time after March 31, 1949, for any province which may decide to undertake rent control," and you add subsequently:

"I am writing now to inform you that if your government decides to introduce provincial legislative measures, the federal government will be ready to vacate this field any time after March 31, 1949."

[Mr. St. Laurent.]

Does this mean that after March 31, 1949, you will definitely recognize the right and power of the province to establish, or not establish, as the provincial authorities judge best, a provincial control on rentals? In other words, after March 31, 1949, will the federal government give the province exclusive power in these matters?

It is always a pleasure for us to co-operate with the federal authorities for the well-being and prosperity of the people, in conformity with the Canadian constitution.

Kind regards.

M. Duplessis.

The Minister of Finance sent him quite a full and reassuring letter reading as follows:

I wish to thank you for your letter of November 3, and particularly for your offer of co-operation. You suggest that it would be helpful for you to know the federal government's plan for extension of rental control beyond March 31, 1949. The present intention is to ask parliament to extend the existing powers for another year, although you will understand, I am sure, that before the legislation is introduced it may be necessary to make changes which cannot be foreseen at this time. I should perhaps explain that under existing powers the government is authorized to make regulations from time to time as to the level of maximum rentals, eviction control, and so forth.

As I said in my announcement and in my letter to you, the government does intend, however, to ask parliament for authority to withdraw rental control in any province which decides to introduce its own legislation in this field.

In your letter you ask: "Does this mean that after March 31, 1949, you will definitely recognize the right and power of the province to establish, or not establish, as provincial authorities judge best, a provincial control on rentals? In other words, after March 31, 1949, will the federal government give the province exclusive power in these matters?"

The government's policy, as announced, is that if after March 31, 1949, under the proposed extension of rent control, any provincial government formally requests that federal rental control be withdrawn in that province, the federal government will announce that it has received such a request and proceed to withdraw its controls at a date to be fixed by the provincial government in the light of the legislative plans of the province. The responsibility for rental control in that province will then rest with the provincial government and legislature.

A letter, substantially along the lines of the one I read, was dispatched on January 13 to the other premiers, because there had been no response to this one. I will not attempt to summarize the answer of Mr. Duplessis of the 21st January but will proceed to give hon. members its text.

Your letter of January 13 was communicated to me today. The attitude of the present government of Quebec towards federal control of rentals is well known. If you will re-read my letter to you of November 3 last and your reply of November 12 last, you will find that the necessary explanation and particulars were not supplied.

As the federal government intends laying before the Ottawa parliament a new bill on the subject, I would ask you kindly to send me a copy of this new federal bill. You will undoubtedly admit that this problem involves a state of affairs, a situation and facts which must necessarily be taken into account.

Up to the present time we have not construed that as an offer to take over responsibility for rent control in the province of Quebec.

A similar letter was dispatched to the premier of Ontario, the hon. gentleman who succeeded my hon. friend not very long ago. Even before I saw this correspondence, I expected that the answer would be clear-cut in view of the clear, direct and businesslike statement the leader of the opposition and I had the pleasure of listening to from the premier of Ontario on Wednesday last. The letter from the premier of Ontario reads:

> The government of the province of Ontario feels that rental control should be carried on by your government at present, and when the year 1950 comes we can decide if we have to do anything further.

That letter was marked "confidential". On the 13th of January the Minister of Finance wrote as follows:

> On October 23 you acknowledged my letter of October 23 relating to the continuance of rent control, and on December 2 informed me that your government feels that rental control should be carried on by the federal government at present. When parliament assembles at the end of this month it may be necessary to table the correspondence with the provinces in connection with rent control, and I assume there will be no objection on your part to tabling your letter to me of December 2, even though it is marked "confidential."

Mr. Kennedy answered on the 19th of January:

> Further to your letter of January 13 relating to the continuation of rental control, it will be quite in order to table my letter of December 2.

I do not think anyone can have any doubt about the position and desires of the present government of Ontario in respect of this terrible invasion we have been practising on the jurisdiction of the provinces.

I might mention, in passing, another example of the apparent reluctance of provincial administrations to tackle problems that appear to be a bit embarrassing to some, the fact that there has not been much done about oleomargarine since the supreme court rendered its judgment saying that was a matter of provincial jurisdiction. These are two concrete cases. It is all very well to make broad statements about the centralizing tendencies of the federal government, but I said on Friday, and I repeat, that I invite any hon. member to point to a single case where there has been an invasion of provincial jurisdiction since the cessation of hostilities. Since that time we have been using our best endeavours to withdraw from those fields we had to enter for the security of the state during the period of the war.

The correspondence about rent control is merely one concrete example of what we have attempted to do. Hon. members will have noticed that in the correspondence we even go so far as to say that, if the provinces wish to take on the administration of rent control, subject to the approval of parliament we will pay their expenses for doing so during the whole year. Therefore the only reason we are continuing is their recognition that it is not yet time to put an end to this measure which became necessary during the war, and that it will serve the national interest better to have the administration continue as it has proceeded in the past.

Some might say that our so-called austerity program of the month of November, 1947, impinged upon the ordinary rights of Canadians to trade. Of course it did, but it did not impinge upon provincial jurisdiction. That is a matter of external trade; that is a matter of the balance of external payments, which is at all times within the exclusive jurisdiction of this parliament and of this government.

In his address the leader of the opposition, dealing with the paragraph of the speech from the throne which announced the setting up of a royal commission to examine into certain activities of our national life which have to do with the other side of life than the strictly material one, indicated that he thought there might be some suggestion of impinging on provincial jurisdiction. The leader of the opposition referred to some of the language of this paragraph, saying that there were no restrictions, that it covered very broad fields. If the hon. member had read the paragraph carefully, he would see that all the subsequent language is governed by the first part.

> It is the view of my ministers that there should be an examination of the activities of agencies of the federal government relating to—

It is proposed to have an examination made of the activities of agencies of the federal government relating to radio, films, television, and so forth. It is restricted to the activities of federal agencies—activities which are of concern to the Canadian nation. The reason for wishing to have a study of that kind made is one which, I think, should appeal to almost every Canadian.

We have here the finest country in the world. There is no country in the world which has a better population than the Canadian population. We are not sufficiently conscious, ourselves, of the great privilege of being citizens of this Canadian nation and having as our land this great territory of Canada. In the economic, materialistic field, we have been doing fairly well; but man liveth not by bread alone. There is another side to human life that is quite as important as the dollars and cents resulting from trade. Upon that side of the normal activities of civilized, Christian human beings, sufficient

attention has not been focused nationwide. I think it will be an advantage to have an examination made of all the agencies which are spending some of the money of the Canadian public in these efforts, to determine whether they are doing it in the right way and whether enough of it is being done.

In this land of ours we have a standard of living higher than anywhere else in the world, save perhaps in the United States. We have not only a high standard of living, but we have all these other advantages. I shall never forget a speech to which I listened in Quebec on a late summer afternoon in 1929, delivered at a meeting of the Canadian Bar Association by Sir Robert Borden. I cannot hope to bring into this chamber the booming tones that sounded through the hall of the Chateau Frontenac when that speech was delivered, but I would call it to the attention of hon. members. They will find it in the proceedings of the Canadian Bar Association, 1929, volume 14, at page 177.

At the risk of not being able to reproduce the tense interest that prevailed, I shall read two or three paragraphs.

> It is unfortunate that in other provinces there is not a fuller and more general acquaintance with the early history of Quebec which is significant, not only in its importance to our country, but in its dramatic interest.
>
> Recall the year 1635. The first governor of Quebec lies on his deathbed in this city which he had founded twenty-seven years before. During his long and arduous career Champlain had seen his little colony almost annihilated by the winter of 1609, and possessed by the English from 1629 to 1632. Perhaps in the closing hours he thinks of his effort and of his career as a failure and little realizes the strength of the foundation which he has laid or the stately structure that is to arise thereon. For the design and achievement of Champlain had unexpected significance. The foundation of Quebec led to the occupation of the St. Lawrence valley which with Acadia would otherwise have been colonized from New England and New York and swept into revolution or separation. Champlain began to hold it for the Canada of today. In this sense Canadians owe to him their heritage although, in the infinite complexity of future forces and tendencies, then altogether undiscernible, his paramount purpose of creating for France a western empire was wholly overborne in the final event.
>
> Across the ocean in the same year, 1635, a great Englishman speaks to his fellow parishioners in the church of Kimble Magna near Oxford. He bids them consider whether they shall obey the King's decree for the payment of "ship money." A facsimile of the record of that meeting hangs on a pillar in the parish church. It records unanimous denial of the King's right and refusal to obey the King's decree; even the officials, the constables and assessors, join in the refusal inspired by John Hampden's courage and patriotism. The question then raised was finally settled when the supremacy of the people through their representatives in parliament was for ever affirmed. Upon that determination rest our liberties. Shall not Canadians look back with thankful memory to John Hampden, pioneer of our freedom, and with grateful recognition to Samuel Champlain, pioneer and founder of our heritage?

[Mr. St. Laurent.]

Our history is probably not sufficiently well-known to all of us in this great country of ours. We must not only be concerned with the past, great as that story might be, in creating and developing national unity. The *Gazette* is not always of the opinion that the future can mean so much. I was rather amused to notice that in its editorial of the 14th of January, the *Gazette* had this to say—

Mr. Coldwell: The Montreal *Gazette*?

Mr. St. Laurent: The Montreal *Gazette*.

> In offering French Canadians, as other Canadians, a progressive conservatism, the party under Mr. George Drew is not offering something new.

I suppose the *Gazette* ought to know, but we on this side of the house feel that, as time goes on, it is necessary to offer something new and progressive to the people of Canada. We think the time has come when it is advisable to ask the people of Canada to look around and see for themselves what their privileges are; to conceive in their own hearts and minds a greater pride in the privileges which are accorded to them as citizens of this country.

Radio is the first matter mentioned about which there is to be this examination of the activities of the federal government. Canadian radio has proven to be a valuable agency for the furthering and developing—

Some hon. Members: Oh, oh.

Mr. Graydon: It has been in the past.

Mr. St. Laurent: If these gentlemen still wish to think of the past, that is all right; but I want to talk a little bit about the present and the future. Canadian radio has been an important instrument in furthering among us knowledge of our own advantages.

Mr. Graydon: Oh, oh.

Mr. St. Laurent: Does the hon. member for Peel (Mr. Graydon) feel that it is so ridiculous to find that we have advantages in living in this country of Canada? I am sure there are people in his own constituency who do not consider that it is ridiculous.

Mr. Graydon: There are other advantages.

Mr. Fraser: Advantages to the Liberal party.

Mr. St. Laurent: A week ago Saturday I had the privilege of seeing two or three of the films—I am getting a little bit ahead of myself, I find. I always do that when I enter into a discussion with the hon. member for Peel.

It may be that radio has not done enough. It may be that the way in which radio is organized is not the best possible way.

Some hon. Members: Hear, hear.

Mr. St. Laurent: To those who say "hear, hear", may I point out that publicly-owned radio system was organized and carried on under a bill which was presented in this house by a government led by Right Hon. R. B. Bennett. In a moment I shall have occasion to refer to some of the language he used when he introduced that last bill. But because it comes from the Right Hon. R. B. Bennett it does not mean that it is perfect; not by any means. It is susceptible of being improved. I think it is advisable at this time to have the situation looked into, and to get expert opinion and advice as to whether or not it should be improved and how it should be done.

Complaints have been made about the fact that those administering the publicly-owned system have at the same time control over those who are operating privately-owned systems. That may or may not be a valid criticism. We do not have the directors of the Canadian National Railways performing the functions of the board of transport commissioners, nor do we have the directors of Trans-Canada Air Lines performing the functions of the air transport board. It may be that the governors of the C.B.C. should not, at the same time, be the ones to operate the publicly-owned system and to make regulations for the others.

An hon. Member: You are right.

Mr. St. Laurent: That is a matter which can be given serious consideration.

Mr. Coldwell: There is a difference. The air is a public utility.

Mr. St. Laurent: Yes; there is that difference. Here there are monopolistic features resulting from the allocation to the various broadcasting stations of frequencies or wave lengths which, once they have been allocated, cannot be used by anybody else.

Mr. Coldwell: That is right.

Mr. St. Laurent: But there is ground for serious examination of the contention that there should be two authorities, one to carry out the actual broadcasting work of the publicly-owned system and another to regulate all broadcasting. I have no set views of my own upon the subject, but I think it is a matter that is worthy of being considered.

Then we have our national film board. A week ago Saturday I saw one short film with which I was greatly impressed. There are more ways than one in which to enlighten and influence public opinion in a country. I saw a film which had to do with the enterprises of the Koerner sawmills firm in British Columbia. These are gentlemen who were engaged in the lumber industry in Czechoslovakia and Poland before Hitler conquered Czechoslovakia. In March, 1939, they acquired a lumber mill in New Westminster. Leon J. Koerner brought out to Canada his brothers and five employees who had experience in European methods of handling lumber. In July, 1939, he had forty-five men on his payroll. At the present time there are over three thousand on the payroll of that firm. The firm handles chiefly hemlock which, prior to their advent, was regarded as an inferior species of lumber. Through methods brought with them and introduced here, what is known as Alaska pine has become one of the species of lumber widely used in the trade all over the world.

When I was out in British Columbia some months ago I visited their mill and, by seeing it, was made to realize how great a contribution these new immigrants had made to the economy of British Columbia and to the Canadian nation. Although I had seen the yard and the magnificent arrangements made for taking care of the comfort and well-being of their employees, I had not seen it as I saw it at the national film board in ten minutes. The picture shows the start from the stumps of these huge hemlock trees in the forest, and follows the process as they were brought down to the mill and treated. There are in Canada people who have from time to time expressed divergent views as to the propriety or impropriety of bringing in immigrants. If we had a few more of these films, which would allow our people to see what some of these immigrants bring with them, and the contribution they make to the development of our natural resources, I think the film board would be performing for the Canadian nation a most valuable service.

In his interesting speech on Friday night the hon. leader of the opposition (Mr. Drew), as reported at page 48 of *Hansard*, said that private interests were being arbitrarily prevented from providing television in this country without any cost to the public exchequer. Television is a matter which must necessarily develop into a monopolistic enterprise. The frequencies which can be used for broadcasting these pictures are not numerous, and those allocated to Canada are restricted in number. The installation of facilities for broadcasting pictures is extremely costly; and if private interests venture the capital required to broadcast in certain localities they will require to have these frequencies allocated to them and their investment will have created for them a vested interest therein. Is that situation desirable for this Canadian nation?

Mr. Coldwell: No.

Mr. St. Laurent: When the Right Hon. R. B. Bennett introduced his bill on radio broadcasting, as reported at page 3035 of *Hansard* of 1932, he said this:

> First of all, this country must be assured of complete Canadian control of broadcasting from Canadian sources, free from foreign interference or influence. Without such control radio broadcasting can never become a great agency for the communication of matters of national concern and for the diffusion of national thought and ideals, and without such control it can never be the agency by which national consciousness may be fostered and sustained and national unity still further strengthened. Other and alternative systems may meet the requirements of other countries, and in any case it is not my purpose to comment unfavourably upon those systems, but it seems to me clear that in Canada the system we can most profitably employ is one which, in operation and control, responds most directly to the popular will and the national need.

What was true with respect to radio seems to me, with the slight knowledge I have of the subject, to be equally applicable to television, and it would be a mistake for us to embark upon any plan which would take from the public these frequencies which are allocated to Canada for the public.

It may be that the installation of television is costly; it may be that its range is not very wide, that it will be difficult to provide it for the outlying districts of Canada. But I do not think that these frequencies, allocated to the Canadian public, should be lightly turned over to private ownership and exploitation unless we come to the conclusion that there is no better way in which the Canadian public can be provided with this new form of entertainment and education.

The leader of the opposition (Mr. Drew) said, but you are asking this commission to do so much that it is going to take a long time, and there may be in this house men young enough to see the results of its investigation and to hear its recommendations. I do not think it is going to take so long. We are setting up this commission and we intend it to be a commission of achievement, and not a mere Hope commission. In the meantime it does not mean that nothing can be done in these fields that are to be examined. I can assure the leader of the opposition that at the present time active consideration is being given by the government to a proposal to set up television immediately in some places, under such conditions as will not determine what the permanent and long-range policy will necessarily have to be.

Mr. Drew: Is the Prime Minister referring now to the United States broadcasts that can be received by Canadians who are close enough to receive them?

Mr. St. Laurent: No, I am not referring now to the United States broadcasts that can be received by Canadians who are close enough to receive them. I know that that is so, and I know from my own experience that there are United States broadcasts which are received. However, that does not prevent the operation of a publicly-owned broadcasting system in Canada. I do not think we shall ever have to come to the point where we shall have a curtain through which information from outside cannot penetrate. I do not think that is a situation that is desired by any of us here. Many of us welcome the waves that come from the United States radio broadcasters, but at times we prefer to listen to what is being broadcast from our own publicly-owned system. The same should be true of television.

This paragraph in the speech from the throne also proposes to have examined the activities of the federal government in the encouragement of arts and sciences. I think that is something with which most of the Canadian public are in sympathy. But how far should it go? There are certain forms of encouragement, certain forms of art, and certain scientific developments, which are of interest to the whole nation and which are of national importance. There are others which are not of national importance. It is worth while to have that matter examined, and the recommendations made which will be of guidance to us over the next few years, and which my hon. friend, if he ever comes over on this side, may find of value in dealing with the applications for encouragement which he will be receiving, as we have received them from time to time.

The next matter dealt with is research. Research cannot be a matter of local and private concern within the provinces. How many times have we had interesting debates in this house upon cancer research. Cancer research cannot even be provincial; it cannot even be national; it is world-wide, and the encouragement of research of that kind is something that is of interest to every nation. Who would deny that our own agricultural economy has profited immensely from the research conducted under the establishments within the jurisdiction of the Minister of Agriculture (Mr. Gardiner)? Who will deny that our national research council has provided means of separating, or of extracting, metals from base ores that have made of immense value some of the resources of our country, and which for a great many years, and before these processes were devised, were making no contribution to our economy?

Mr. Green: Will the Prime Minister permit a question? Do these activities include the activities of the atomic energy control board?

Mr. St. Laurent: The terms of reference have not yet been drafted. I would imagine that the activities of the atomic energy con-

trol board are such that it would not be possible, for security reasons, to make them the object of an investigation of a royal commission which normally operates in public.

The paragraph goes on to speak of the activities which enrich the national life. Every session parliament is called upon to vote a certain number of grants for a certain number of enterprises, and the requests continue to be made. I read with some amusement a short while ago that an application would be made for a very substantial grant to encourage athletics in Canada. We already have expended some public money for the encouragement of athletics. The Royal Canadian Air Force hockey team attended the last Olympic games, and by their performance abroad did increase the knowledge of Canada and of Canadians. Two or three times this House of Commons unanimously applauded the great success which had crowned the efforts of Barbara Ann Scott at the Olympic games. Requests are coming in now for a contribution to enable a team of Canadian athletes to attend the British commonwealth games which are to be held in New Zealand next year. Are these activities of national interest, and should they be fostered? That is a matter about which there may be some divergence of views; but there is no doubt that these achievements of Canadians, in whatever field they be, those of Barbara Ann Scott, those of the Royal Canadian Air Force hockey team, those of the Winnipeg ballet, the "Tin Flute" of Gabrielle Roy, which is to be made into a motion picture, or the hundredth performance of Fridolin's "Tit Coq" in Montreal on Saturday night, all enhance our consciousness of our own place, not only on the material side of life, but in the other things which contribute so much and which are so necessary for a proper, human, civilized method of living.

Then we shall have examined also the manner in which information about Canada is spread abroad. Of course no one will gainsay that the method which spread the most information about Canada, and which placed Canada on the highest possible pinnacle, is to be found in the services of our armed forces during the last two world wars. There is, I am sure, nothing that has contributed so much to making the rest of the world conscious of the rise of this new nation in the north as the performance of our armed services during those wars. But I hope there will never be any other occasion when that form of making Canadians known abroad will have to be resorted to.

Another large contribution to the high level of Canada abroad is what has been done by our Department of External Affairs, and by the character and performance of our delegates to these international meetings.

But there are other forms as well. Hon. members applauded the interesting passage about tourist activities, in the speech delivered by the hon. member for Essex West (Mr. Brown) in moving the address in reply to the speech from the throne. The film made here on the opening day of parliament in this very year will be shown in hundreds, perhaps thousands, of theatres across Canada, and in tens of thousands of theatres throughout the United States. And although I have not seen it, and while I participated in the opening ceremonies, I would be surprised if the pictures of those ceremonies did not compare favourably with pictures of like ceremonies in any other country of the world.

I was astounded to find the leader of the opposition (Mr. Drew) apparently attempting to ridicule the proposal to have a royal commission examine these activities and report to the Canadian government, and through the Canadian government to the Canadian parliament and people, upon ways and means of fostering these undertakings. If the hon. member had been here in previous years, he would have heard many interesting speeches upon the desirability of there being a national library for Canada. He would have heard interesting speeches upon the desirability of giving some encouragement to drama leagues and to the establishment of a national theatre in Canada. I believe he will find that throughout Canada, in all parts of the country, there are many people who are interested in that aspect of human life.

I now come to that part of the speech of the hon. member—

Mr. Graydon: Would the right hon. gentleman permit a question?

Mr. St. Laurent: Certainly.

Mr. Graydon: I am sure a number of hon. members in various sections of the house would like to know whether or not the setting up of this royal commission will prevent parliamentary committees dealing with the question of radios, films and television during this session of the House of Commons.

Mr. St. Laurent: I would think not. I would think there might very well be a desire, on the part of hon. members to whom proposals were made to make a decision about this or that, to get the information that is going to be made available to them through the royal commission. But I do not think there would be any technical objection to debating any of these matters, or even to proposing any measure which any hon. member might think it proper to propose, provided of course it was within the rules of the house, and otherwise, in a form which would make it acceptable.

Mr. Graydon: That was not my question. Does the right hon. gentleman know whether, for instance,—

An hon. Member: Sit down.

An hon. Member: Who is leading over there?

Mr. Graydon: —whether or not the broadcasting corporation special committee of the house would be set up this session? Because otherwise there would be concurrent investigations on the same matter.

Mr. St. Laurent: With respect to that committee, I have a note here that there was an attempt to set it up, but that the minister in charge found there was no one who wanted it.

Mr. Graydon: This session?

Mr. St. Laurent: And it was partly because of that that we felt it would be well to have the matter inquired into by a commission.

Mr. Fulton: You are speaking of the past?

Mr. St. Laurent: Yes, I am speaking of the past—but of the very recent past. It was an answer given by the Minister of National Revenue (Mr. McCann), the minister who speaks in parliament for the broadcasting corporation; and it was to the effect that there had been no desire to have the committee meet. I have a reference to it somewhere among my notes. However, at the moment I will not stop to look it up, but I will get it for the hon. member and complete my answer at a later time.

Proceeding with the notes I have here, I come to that part of his speech where the leader of the opposition was a bit critical of what he called that strange theory of public financing whereby there is part of the national income that is used to pay off debts incurred by this country during a period of war. These are his words as they appear at page 45 of *Hansard*:

> I hope the consideration now being given by ministers to buoyant revenues will lead them to another conclusion, in spite of the repeated arguments made publicly by the Minister of Finance (Mr. Abbott) that under some theory of cyclical budgeting he should tax the people as heavily as possible while we have buoyant finances. I express the hope that we shall have from him some indication that he has abandoned that strange theory of public financing . . .

Well, I do not know whether it should be called cyclical budgeting, or anything else. But I think it has been the experience everywhere that, when the situation was such that you had money that you did not have to spend, it was a good and prudent thing to use it to pay off your debts—if you had any. I once heard the Right Hon. Mr. Ilsley, who was then minister of finance, refer to this form of budgeting as being one which had pretty strong Biblical justification because, as he pointed out, that was the system upon which Joseph, when he was Pharaoh's minister of finance, budgeted for the lean years which were to follow—the bad ones.

Mr. Low: Not with money, though.

Mr. St. Laurent: With goods.

Mr. Low: With goods, yes.

Mr. St. Laurent: Before anyone makes light of the concept of the insignificance of money in human affairs, let me say that we on this side of the house consider that money is a symbol, but a symbol of something that is real. And when at the end of the war there was a total unmatured funded debt of $16,887 million those symbols meant a very considerable burden for the Canadian people to carry in interest and amortization charges.

Mr. Low: Not necessarily.

Mr. St. Laurent: I have here the latest figures available, those of December 31, 1948, which show that the unmatured funded debt on that date was $15,926 million, a drop of something over $950 million since December 31, 1945; and that the United States currency and gold reserves have increased from a low of $461 million to a figure of $998 million on December 31, 1948. I believe most of us in the Canadian nation are happy that there has been this improvement in the nation's financial position of something of the order of a billion and a half dollars in that three-year period.

There is no doubt that the whole Canadian economy is very buoyant at the present time and I think there are many who feel that it is prudent during this period of buoyancy to make provision as Joseph did for the time when there may not be the same buoyancy. Some of us do not forget the fable of de La Fontaine in these words:

> La cigale, ayant chanté tout l'été,
> Se trouva fort dépourvue
> Quand la bise fut venue.

I have a translation of that here as follows:

> A grasshopper gay
> Sang the summer away,
> And found herself poor
> With the winter's first roar.

I think the conduct of the ant might be preferable in some ways. There should not be too great a disregard of what prudence has shown to be wise throughout the centuries of experience. Most of the newspapers favourable to my hon. friend have interpreted a paragraph in the speech from the throne as forecasting some reduction in taxation. They are entitled to whatever enjoyment they can get out of that interpretation, but of course they are going to have to keep on guessing

until the budget is brought down, when they will see just what the situation will be. I can assure them that the budget is not going to be delayed. Just as soon as we can get through with the matters which at this session have to be dealt with by a given date, the budget will be ready for submission.

Mr. Drew: Does that mean that the budget will be presented before the conclusion of the debate on the speech from the throne?

Mr. St. Laurent: I do not think what I said is open to any construction of that kind. If it was, I apologize to the house for having spoken in such an inane fashion, because I had no intention of conveying that idea.

Mr. Cruickshank: You are not in the minor league now.

Mr. St. Laurent: There was another statement by the leader of the opposition which I am sure occasioned some surprise. He made the assertion that there was nothing to be found in the speech from the throne about a health program or about social security. The announcement was made in the speech from the throne that, with respect to the health program announced last year, there has been most helpful co-operation from all the provinces. The health program announced last year was a five-year program. The results there show that, when we have meetings with the provinces that are not full-dress performances of the premiers, their ministers and associates, we do get effective co-operation and collaboration to the benefit of the general Canadian public. The hon. member will find in the announcement made by my predecessor, who was then Prime Minister, that this health program was intended to cover a period of five years. Of course, should the country be so unfortunate as not to have us here after five years, I do not know what would happen. But we have announced what we would do.

Mr. Cruickshank: Do not worry about that.

Mr. St. Laurent: I think the hon. member is probably right and that the public is entitled to expect that it is going to be carried out. The leader of the opposition said that there was no mention of social security, but the speech from the throne contains a paragraph which states:

> A bill will be introduced to broaden the scope of the Family Allowances Act, as a further instalment of the policy of the government to provide a national standard of social security and human welfare designed to assure the greatest possible measure of social justice for all Canadians.

Perhaps my hon. friend does not consider that the family allowances project, that act and its administration, is a social security measure. When it was introduced the hon. member was reported in the *Globe and Mail* of August 3, 1944, to have said:

> This bill is an outrageous bribe offered to the people of Quebec immediately before an election on which Mr. King's last chance of political survival depends.

In another speech over the radio on August 9, 1944, from a written text the hon. member said:

> But I assure you that the government of Ontario intends to do everything within its power to make sure that this iniquitous bill does not go into effect.

It did go into effect and everything within the power of the government of Ontario was unable to prevent it. Everything within the power of anybody else was unable to prevent the Canadian public receiving the benefits of this great measure. So much so that, when my hon. friend's partisans gathered here in Ottawa on September 30 and October 1 and 2 to exalt him to the position which he so graciously occupies at the present time, they declared unanimously by a resolution that family allowances will be placed on a uniform basis per child regardless of the number of children in the family.

Whether the hon. gentleman regards that as a measure of social security, all those who chose him to be their leader and for whom he speaks here put that resolution under the heading, "Resolution No. 13—Social Security". I hope this is really a change of heart and not merely a change of face on the part of the hon. gentleman.

I think I have disposed of a lot of the odds and ends which had been dealt with by my hon. friend.

I come now to that part of his speech which, since he pronounced it, some newspapers have said was an attempt to set the platform for the next general election. I have the newspaper clipping here. I do not mean to be disrespectful, but I am going to use the words that are used in the headline:

> Drew sets platform for election Provincial rights to be chief issue in coming battle
>
> By devoting two hours of his two and a quarter hour speech on Friday to provincial rights, Progressive Conservative leader, George Drew, left little doubt that this is the issue on which his party will make its election bid. With an eye cocked at Quebec, Drew painted a picture of a federal octopus whose tentacles sought to tug away the powers of the provinces and tear apart the constitution.

I hope the hon. member does not think for a moment that he is the only one who has an eye cocked on Quebec. There are others as well, but those on this side of the house have an eye cocked on the whole country from one ocean to the other. They feel that, if it be true that the hon. gentleman has an eye cocked on Quebec, it is pretty apt to be true there are many in Quebec who have an eye cocked on him. Though my experience has not

been very long, it has been long enough to enable me to say to the hon. gentleman that Quebec usually likes to have its facts pretty straight.

That compels me to deal with a matter which the hon. gentleman dealt with in that part of his speech which is reported at page 56 of *Hansard*. The hon. gentleman had this to say:

> The present Prime Minister of Canada asserted the proposition that this parliament has the power, by majority decision, to change our constitution. His own words were: "The central power does not need to go back to the provinces in order to say what Canada shall be in the future."

The words attributed to me by the hon. leader of the opposition are correctly taken from a speech I made in this house in 1946 on the redistribution bill. They are to be found at page 2618 of *Hansard* of that year. If the hon. gentleman found these words himself in that debate it must be that he read the debate. If he did, there are many people in Quebec who are going to feel that using them as he did on Friday night amounts to very substantial distortion. If he did not find them himself where they occurred in the debate, but took them from an aide who picked them out for him, there are many in Quebec who are going to feel that before using material from such an aide he should be sure that it does not constitute a very substantial distortion.

Mr. Drew: I took the Prime Minister to say the words were correct.

Mr. St. Laurent: I am not saying the words were not correct. I say that if the hon. gentleman picked them out himself, having read the whole debate, the fact of picking them out and using them as he did amounts to a very substantial distortion. I do not think he or any other member of this house would want to be guilty of such a thing intentionally. If, on the other hand, they were supplied to him with the assurance that they were correct in their context, the one who supplied them to him, having picked them out of their context to be used in the way in which they were used here, should not be trusted to get for my hon. friend facts that he may wish to use in his campaign in Quebec.

There had been a debate in this house on the Canadian constitution, and on the methods that might be taken to amend it. I did not make that constitution. I take it as it is. I was asked questions as to my opinion about its meaning, and I said what I believed to be the effect of the constitution as it is. Whenever I am compelled to give an answer as to what I believe the constitution to be, the answer I give will be a truthful answer, no matter who may wish to misquote it or to misrepresent it. What I said in that debate is quite clear. I said that there were certain matters which had been confided to the parliament of Canada, and certain others which had been confided to the provincial legislatures. I said, with respect to the first, that it was not necessary to go back to the members of the legislatures or to the governments of the provinces to determine what could be done about them, but that the people of the provinces spoke on these matters through the representatives they elected to this parliament. I added that, with respect to the matters which were confided by the constitution to the provincial legislatures, it would be quite impossible for this parliament to do anything about them without the consent of those having the responsibility. Although those words of mine were not used at the same sitting of the house, they are to be found a few pages prior to the citation which was used by the leader of the opposition. That citation was taken from page 2618 of *Hansard* of 1946.

At page 2609 of *Hansard* of 1946 the late lamented Minister of Fisheries, Mr. Bridges, participating in the debate, cited, in the following words, the stand I had taken:

> That brings us to the question as to whether or not the provinces should be consulted before we pass this particular resolution. That question has come up before and no doubt will come up again as long as the present system of amendment exists. I am going to repeat what our able Minister of Justice (Mr. St. Laurent)—

—I am not responsible for the compliment.

> —said on May 28, when moving the resolution, since it is a statement with which I am in complete accord.

He quoted the following statement:

> The provinces, that is to say, the people of the provinces, are all represented in this parliament, and for the purposes of such matters as are confined to the jurisdiction of this parliament it is by those representatives here that the people of the provinces speak. There are other matters given by the act to the jurisdiction of the provincial legislatures and the provincial governments; with respect to any of those it is my view that it would not be possible to deal with them without consent of those to whose jurisdiction they have been confided.

Mr. Drew: Mr. Prime Minister, was it not in the same speech that you dealt with the subject of language and the right of this parliament to deprive any group in this country of a particular language, if it was felt that should be done?

Mr. St. Laurent: I am not sorry the hon. gentleman brought that up because I had a note to refer to it. It is a matter upon which many, many of the hon. member's own friends have been guilty of the most serious distortion, both in his province and in my own.

My whole point was that the central government did not derive its existence nor get

its powers from those who had made the agreement which preceded confederation, and did not have to consult those who had made the agreement about the way in which the federal authority should exercise that part of the jurisdiction which had been confined to it. We are not responsible to the provincial governments for the way in which we exercise the powers given to the federal parliament by the constitution. We are responsible directly to the people of the provinces who elect us to represent them in this house.

Now, as to amendments, I had made the clear distinction that, on those matters which were within the jurisdiction of the federal parliament, it did not have to consult the provincial governments nor the members of the provincial legislatures. It had to be responsible to the inhabitants of the provinces who elected representatives to speak for them in this house. With respect to all matters given by the constitution to the provincial governments, nothing this house could do could take anything away from them. We have no jurisdiction over what has been assigned exclusively to the provinces. We cannot ask that what is not within our jurisdiction be changed. We have jurisdiction over the matters assigned to us and we can ask that the manner of dealing with those matters be changed, provided we remember our responsibilities to the men and women who elected us to this house and who did not elect us to this house through Mr. Duplessis or any other provincial premier.

When the question was put to me as to how it might be possible to have the constitution amended in that respect, as provided for in article 133, I answered according to my construction of the constitution. I gave a truthful answer. I said that, in so far as the use of the French language in this house was concerned, it was something which could be dealt with in this house since the provinces were not given exclusive jurisdiction over it. I was speaking of the theoretical power to do a thing.

Provincial legislatures have the power to do anything with respect to property and civil rights. They have the power to take my property and say it belongs to Mr. so and so, but they do not do it. At page 56 of *Hansard* the hon. leader of the opposition said this:

> There is more than a legal decision involved in this; there is the unity of Canada.

What I said was not in exactly the same language, but was to very much the same effect. In effect, I said there should be the power to do it but, in fact, it was quite impossible to conceive that it could ever be done.

I wish to quote the language I used, which will be found on page 2621 of *Hansard*, 1946:

> There are persons and nations who reach a high estate in the affairs of men, and the high estate they reach imposes upon them high obligations. There was no obligation on the Tribune Festus to say to King Agrippa that he could not deliver Paul to the Jews when they requested that he be put to death. It occurs to one, however, that they also had reached a high estate, which imposes a corresponding obligation. I copied out of the bible on the table of this house, from the Acts, the quite natural statement of Festus:
>
> "It is not the manner of the Romans to deliver any man to die, before that he which is accused have the accusers face to face, and have licence to answer for himself concerning the crime laid against him."

Further down I read:

> It is not the manner of those who have themselves had, and whose ancestors have had, the formation that comes from that long history which has brought us to this point in the civilization of mankind, to do things which the conscience of humanity at large would regard as dishonourable; and the conscience at large would frown upon an assemblage in this house that attempted to take from me and from those of my race the right to speak the language I learned in my infancy as one of the official languages in which the deliberations of this house may be carried on.

There have been so many attempts to use that statement both in the province of my hon. friend and in my own province, as an indication that I had said the French language could be abolished by any majority of the House of Commons; and those doing so are resorting to method which I hope no one on this side of the house will ever have to resort to.

I said that in Quebec they like to get their facts straight. They know these are the facts. They know what my attachment is to the language of my father and they probably also know my attachment to the language which I learned from my mother. If my hon. friend pays attention to the headlines and articles which are appearing in the newspapers, many of which are inclined to be friendly to my hon. friend at the present time, he will see what regard is being paid to the manner in which I am showing in this house, and in my public conduct, the attachment I have to the two languages which are the official languages of this house.

The hon. gentleman referred to the official report of debates of the house in which he formerly sat, dated April 1, 1947.

Mr. Ross (Souris): The Prime Minister will need to get a new filing system.

Mr. St. Laurent: The field covered by the leader of the opposition was so considerable that it would require a filing system in order to have available all the material necessary with which to set straight some of the assertions that were made here and that cannot and will not be allowed to go unchallenged.

I have here the Ontario *Hansard* for the date in question and I find therein a preview of the speech that was delivered here on Friday by the hon. gentleman. If anyone is interested, I would invite him to put the two texts side by side. The other one was a speech made on April 1, 1947; the one of which we had the benefit in this house was of January 28, 1949. In one passage of his speech my hon. friend stated that he wanted to make it quite clear that he was not changing; and in fact in the speech of January 28, 1949, there has not been much change from the one of April 1, 1947.

In the 1947 speech I found a great deal with which I agreed. I entirely agree with the tribute the hon. gentleman pays to the splendid work which had been done by those responsible for provincial administrations in the fields which were within their jurisdiction.

I agree with him that this work was a most valuable contribution as the groundwork upon which was built the splendid war effort we were able to put forth during the years from 1939 to 1945. I admit that we used the highways. I remember that many claims came to us from time to time because we were using them to such an extent that it was felt that we should make some contribution to having them maintained and repaired. I also agree with the tributes he pays to the teachers who were in charge of the education of our Canadian citizenry during those years. It is certainly because of the magnificent job they did that the men and women of Canada were able to put forth the magnificent effort—in the armed services, in the industrial plants, in the mines, in the forest and in the field—which made our contribution what it was during the war. But that is not all I found in this *Hansard* of April 1, 1947. In two or three places I found references to the matter I have in mind, but I will cite this paragraph at page 709:

> Let us face the full implication of the position of the dominion government. They assert that we have no binding constitution. They claim the right to change our laws relating to language, to education, and even to civil rights, the control of property and the administration of justice.

I say that statement is one that, in every line, in every word and in every letter of each word, is absolutely false. I challenge any man in this house to bring forth one iota of evidence which can be invoked to support a statement of that kind.

The hon. member's principal complaint is that this government or the one that preceded it has not seen fit to reconvene the dominion-provincial conference. Let me say that I spent a good deal of time at all the meetings of this dominion-provincial conference which met in 1945 and 1946. On one occasion I had to fly back from the united nations meeting in London in order to be here for those deliberations, and I am convinced by the lack of results that my time was wasted. I am convinced that conferences of that kind, when there are elections in the offing, are stalemated from the start. There is no genuine desire at any of these conferences to deal with the various matters on their merits; and they were not dealt with on their merits. Since then on many occasions we have had meetings with representatives of the provincial governments, meetings with officials, and meetings even on the ministerial level, and have done things that have been for the benefit of the whole community. But when we have these full-dress provincial conferences, such attitudes are taken—and I will not say it is all on one side; there may be just as great fault on our side as on the other—that it is quite impossible to expect anyone who has his eye cocked on elections to do anything about the merits of the matter under discussion.

Mr. Drew: I might perhaps ask for information. What election was in the offing at that time?

Mr. St. Laurent: There was the election which has since taken place in Ontario.

Mr. Drew: Yes.

Mr. St. Laurent: There was the election which has since taken place in Quebec, and it practically centred on the attitude of the Hon. Mr. Duplessis in this dominion-provincial conference.

Mr. Drew: Three years afterwards.

An hon. Member: Politics all the time.

Mr. St. Laurent: Yes, three years afterwards. I do not know whether the hon. gentleman thinks that elections are prepared merely in the two weeks that precede the date of polling.

Mr. Drew: I do not think the Prime Minister's are.

Mr. St. Laurent: That is not the way in which we on this side of the house have regarded the problem; and I do not think that hon. gentlemen sitting around my hon. friend have regarded what was done in those last days as being effective. The opinion that has been gradually mellowing in the minds of the electors is the thing that counts, and not the speeches that are made over the radio in the last few days that precede polling.

Today the leader of the Progressive Conservative party wants changes. He says that over the years substantial changes have taken place and that something should be done to give effect to those changes. The position

taken, however, by the premier of Quebec is that he does not want any change, that he will not have any change made, and that he is there to see that no change is made. The change that the hon. gentleman wants at this time is a change to enlarge provincial autonomy and independence and to prevent the usurpation of power by the central authority. The hon. gentleman perhaps gave an indication that his conscience was troubling him a little bit in taking that stand, because he was at pains to say, as reported at page 54 of *Hansard*:

So that it may not be suggested that I am merely making this statement here in the House of Commons and expressing a different opinion to that which I have held at any other time, may I quote from a statement I made in the Ontario house which is recorded in the Ontario *Hansard* of April 1, 1947.

That is the one to which I have referred. I do not know whether there is any reason why there should be any anxiety on the part of my hon. friend in that regard. Of course, he is here the leader of the opposition; and we on this side of the house seem to have too much power to suit him. But what was the situation when he was the leader of the opposition in the other house?

Mr. Knowles: He is not there yet.

Mr. St. Laurent: No; when he was the leader of the opposition in the Ontario legislature. On the day on which he found it necessary to differ from his leader there, the gentleman who is now the hon. member for Dufferin-Simcoe (Mr. Rowe), he issued a statement which was reported in the *Globe and Mail*, and in which he is reported to have said:

We have strayed a long way from the path laid down by the fathers of confederation. The strong central government, which the provinces sought to create, is hamstrung by petty politics. All the constitutional difficulties which now prevent the adoption of effective and urgently necessary social legislation can be overcome without waiting for amendments to the British North America Act, if there is any sincere attempt at co-operation.

Mr. Graydon: That sounds pretty good so far.

Mr. St. Laurent: Would my hon. friend like to have some more of it? I am quite willing to oblige. He continued:

The provinces created the dominion. The dominion did not create the provinces. If we are to have strong government, capable of meeting suddenly changing conditions, the provinces must take the first step. They united to form the dominion of Canada. It was their intention that there should be one strong government capable of dealing promptly with all problems of a national character. It was their own wish that the provincial governments should deal only with problems of a purely local nature.

Mr. Drew: That is right.

Mr. St. Laurent: That was September 8, 1937. On January 26, 1939, there is a report from Fort William, a demand that Premier Hepburn go to the country without delay to settle the issue of national unity. The report further quotes a brief prepared by Premier Hepburn and presented to the Rowell commission on dominion-provincial relations on behalf of Ontario. The Conservative leader said Mr. Hepburn had laid down the principle—

that "the provinces must remain independent and autonomous."

The quotation continues and attributes the following to the present leader of the opposition (Mr. Drew):

"That is one of the most remarkable utterances ever made by any premier within the dominion," Colonel Drew declared. "This province must remain independent of what? That sentence in Ontario's considered brief to the Rowell commission does not mean anything unless Premier Hepburn has the idea that Ontario should become a separate nation. The people of Ontario never gave him a mandate to set this province up as a separate nation. He has been usurping his authority ever since he made that submission . . . "My own stand" he stated, "is that in all matters of national import there should be one strong government legislating for the people of Canada in their common interest. As leader of the Conservative party one of my main ambitions is to lead this province back to the plan of confederation and to give the other provinces a lead and an example in that. Mr. Hepburn advocates an independent Ontario. I prefer to stand, as a Canadian, for a united Canada . . . I shall go to the country clearly on the stand that Ontario is Canadian, one province in a united Canada within the British empire. I advocate the strengthening of national ties and divesting the province of every conflicting authority not necessary for provincial purposes."

That sounds like pretty strong language, but it compares quite favourably with the language that had been used in a radio broadcast just four days before that, on January 22, 1939, by a gentleman whose name is Mr. George McCullagh, and who has something to do, if I am not mistaken, with a newspaper published in Toronto called the *Globe and Mail;* and, if my information is not incorrect, it is a newspaper which quite frequently presumes to tell men in public life just how they should carry out their responsibilities. This is a portion of it:

The greatest service the premier of Ontario could do for Canada, and something which would carry his name into history as a public benefactor, would be for him to state publicly what we all know; that our provincial governments are political misfits, that they are unnecessary duplications, luxuries we cannot afford, and endless causes of disunity. If the premier of Ontario would state this, and pledge himself to help end the provincial burden, he would carry us a long way towards solvency and the solution we seek.

Mr. Drew: That was not the premier of Ontario.

Mr. St. Laurent: I am not sure that this did not make some impression even at that time on the leader of the opposition, because the Halifax *Herald* of April 25, 1941, reports him as having addressed the commercial club of Halifax the day before. The report reads as follows:

> Describing Canada's "over government" as the "most colossal and incompetent system in the world" Colonel Drew said, "I defy anyone that has any personal contact with our system of government in Canada to say that it is not impeding us from doing many things that should be done to increase Canada's strength in her war effort." Colonel Drew related what he termed some of the disadvantages of the present system, recounting duplication of services and other features he said were detrimental to efficient national administration.

Then, this is in quotation marks:

> "What we need greatly is to look at government from a business viewpoint", he said, paralleling methods that a private business with a head office and nine branches would employ to promote more efficiency.
>
> Preservation of a nation's integrity must come from a strong centralization feeling, Colonel Drew continued.
>
> Canada's main problem was its decentralized governmental system, and the speaker declared, solution of that problem would insure continuance of the national structure.

These are the attitudes that were expressed by the hon. gentleman when the powers or the jurisdictions he was attacking were being exercised by somebody he was opposing. But just as soon as he ceased to be opposed and was being imposed we find him preaching the other doctrine, that what is necessary is that there be nine strong autonomous independent provinces. That change in the picture he sees, according to the point from which he is looking at it, is something which, in Quebec, is going to make people ask him what his attitude really would be toward provincial autonomy if ever the country was so imprudent as to put him in charge of the affairs of a federal government. I had intended to cite more material; but really, Mr. Speaker,—

Some hon. Members: Go on.

Mr. St. Laurent: For the advantage of those who may have been impressed by the hon. gentleman's statement that the fathers of confederation had attempted to copy or model the Canadian constitution on that of the United States, I would invite their attention to a speech of Sir John A. Macdonald. He was a gentleman who for a time enjoyed quite a high repute in Conservative circles.

At page 33 of the Debates on Confederation of the Provinces of British North America he is reported to have said, about the American constitution:

> Ever since the union was formed the difficulty of what is called "state rights" has existed, and this had much to do in bringing on the present unhappy war in the United States. They commenced, in fact, at the wrong end. They declared by their constitution that each state was a sovereignty in itself, and that all the powers incident to a sovereignty belonged to each state, except those powers which, by the constitution, were conferred upon the general government and congress. Here we have adopted a different system. We have strengthened the general government. We have given the general legislature all the great subjects of legislation. We have conferred on them, not only specifically and in detail all the powers which are incident to sovereignty, but we have expressly declared that all subjects of general interest not distinctly and exclusively conferred upon the local governments and local legislatures shall be conferred upon the general government and legislature.

That is the original picture; and it is from that picture that the hon. gentleman was quite right in saying we have strayed a long way, from the path laid down by the fathers of confederation.

I think you know that the history of the Liberal party, in its regard for the true rights of the provinces, for the proper construction of jurisdiction assigned to them by the constitution, and for providing them with the means for using the rights they have under the constitution, is such that if my hon. friend were to take the advice given by these newspaper men, that this matter of provincial rights be his platform for the next election, he would, after it was all over, want to get some other advisers.

Anyone who listened to the broadcasts from the Progressive Conservative convention, and anyone who has noticed the party propaganda since that time, could hardly fail to be struck by the fact that the main appeal of the party seems to be directed to the province of Quebec.

Some hon. Members: No, no.

Mr. St. Laurent: Most people would agree that it is a good thing for Canada to have our national political parties take into account the feelings of all sections of the country, and to frame their policies so that they will have substantial strength in all sections of the country; but it is a long time since the Conservative party has made any attempt to do that. And I am inclined to think that that may be one reason for its lack of success with its strategies.

Of course there was a strategy which worked once in 1911. But the motto of the province of Quebec is "je me souviens"—I remember. The people of Quebec are apt to remember what occurred in 1911. And if they do they will not be very much impressed by this procedure of making one appeal in one language in one part of the country and a quite different appeal in another language in other parts of the country. It was the Bourbons, was it not, who never learned anything?

Mr. Drew: You should know.

Mr. St. Laurent: And when one sees by the newspapers that former members of the Bloc Populaire are speaking for my hon. friend's candidate in Nicolet-Yamaska, one wonders. One wonders whether—

Mr. Graydon: What about the communists in North Grey?

Mr. St. Laurent: —it is going to be tried again. I am rather proud of the fact that the Liberal party has never had to resort to that strategy.

Mr. Graydon: Oh yes it did.

Mr. St. Laurent: We have always—

Mr. Graydon: North Grey they did.

Mr. St. Laurent: We have always had one party and one appeal—

Mr. Graydon: North Grey.

Mr. St. Laurent: If the hon. member wishes to complete my speech, I will give him the floor. But I think, really, that the gentlemen over here would prefer it if I were to complete it.

Mr. Graydon: You are much more good-natured than you let on now.

Mr. St. Laurent: I am sure my hon. friend and I have never been otherwise than good-natured in any exchanges we have had either on the floor of the house or outside the house.

We have always been able to put forward the same policy and to make the same appeal in both languages. There has never been a Liberal government since confederation which has not recognized at all times in its ranks the principle upon which this nation was really founded, the principle of the partnership of the two races. Our party is the only one which has been able to have leaders from both races; and our party has always practised the precept of unity—which is desired I think by most Canadians.

In the attempt to make provincial rights an issue for the next election, I doubt if my hon. friend will meet with very much success. Because, as I have said, there are many parts of the country where it will be felt that it is this party which has always stood for the real and practical rights of the provinces.

We also stand for national unity, unity based upon the fundamental equality of all Canadians, whatever their race or wherever their province. I believe, and those who sit around me here believe, that the people of Canada wish to see the provincial governments free and able to discharge to the full the responsibilities entrusted to them by the constitution; but that the people of Canada wish also to see the government of the nation recognize and discharge to the full all the responsibilities in its domain. That has always been the Liberal position and it will continue to be the position of this government. I believe that when we convince the people of Canada that it is to be the position of this government the great majority will be satisfied with that position.

Since I referred to the correspondence with the premiers of the provinces in connection with rent control, letters have been received from the premier of Saskatchewan and the premier of Manitoba which I think it would be only fair to have in the same issue of *Hansard*. The letter from the premier of Saskatchewan is dated January 28 and reads as follows:

Dear Mr. Abbott:

Thank you very much for your letter of January 13, in which you ask for the governments' view on the occupation by the federal government of the field of rental control. The government of Saskatchewan is desirous that the dominion government continue to exercise its jurisdiction in this field and to extend the legislation relating to rental control for at least another year. In view of the fact that these matters have national implications, we feel that they can best be dealt with on a federal basis.

Trusting that this information will be of assistance to you in drafting appropriate measures, I remain,

Yours sincerely,

T. C. Douglas.

The letter from the premier of Manitoba is also dated January 28, 1949, and is as follows:

My dear Mr. Abbott:

Re: Matter of rent control.

I received your letter herein dated 14th instant.

I have referred to our file. It contains the letter dated October 23, 1948 from yourself to Honourable Mr. Garson, K.C., the then premier of Manitoba.

I note that the speech from the throne read at the opening of your parliament on Wednesday, 26th instant, forecasts the extension of rent control under legislation of the parliament of Canada.

I have conferred with my colleagues and we have carefully gone over the whole situation. We are of the unanimous opinion that, as matters stand at present, the whole subject of rent control should be left for the exclusive consideration, attention, et cetera, of the Dominion of Canada authorities.

I take it that this letter furnishes you with what is desired herein.

Thanking you and with kindest regards.

Yours very truly,

Douglas Campbell.

Those letters had just been received and I did not have them before me when I came into the house.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, as I believe that many hon. members want to participate in this debate I think every available minute should be used. As the speeches which we have already had were rather long I propose to fill up the time between now and six o'clock and not ask you to call the recess now.

I had not intended to get into this discussion on dominion-provincial relations. As a matter of fact this party for some years has held the view that the considerations which caused the government to set up a royal commission to look into dominion-provincial relations, and the report which was presented to this parliament subsequently, warranted the utmost thought on the part of the people of Canada through their elected representatives, in regard to general dominion-provincial relations and the rights, prerogatives, and new obligations that should be assumed by the legislatures or by this parliament.

Ever since the conference broke down we have been urging that it should be reconvened and some solution found in order that, in the difficult days which may lie ahead when we are not riding on a wave of great prosperity and full employment, the powers of the various governments shall be so decided that there will be no question as to where responsibility lies.

I have listened with some misgivings, yet with perhaps some pleasure, to the contest between the government and the official opposition, apparently in an attempt to catch the eye of the province of Quebec. This party believes that whatever is done in this country should be done with an eye to all provinces, not just with an eye to any single province. In days gone by the province of Quebec and the province of Ontario, the English-speaking people and the French-speaking people, have been pitted one against the other by political parties. I have lived in western Canada long enough to remember the vicious campaign which was carried on in my province in 1929, 1930 and 1935, largely in the interests of my hon. friends of the Conservative party who sit to my immediate right.

I remember how people were persuaded to go into post offices to ask for bilingual money order applications, envelopes and so on to send down to Ottawa protesting against the printing being in both French and English. I remember those occurrences and I am glad that we are not likely to see that sort of thing again. I would like to believe that today there is a desire on the part of all parties in this house to bring about some national unity.

I listened with a great deal of interest to the leader of the opposition (Mr. Drew). After he had finished speaking I did a little research work, as the Prime Minister (Mr. St. Laurent) apparently had done. I found many of the statements that the right hon. gentleman placed before the house this afternoon. I suppose that the Lieutenant Colonel George Drew that I read about in the newspapers in the years prior to 1940 is the same gentleman who occupies a seat in this house as the leader of the opposition; but when I read the statements that were published in those days and heard the speech that was made on Friday I questioned myself as to whether this was the same person. I intend to quote from a period a little earlier than did the Prime Minister. I have in my hand a copy of a report of a speech made by the leader of the opposition. I do not intend to use a phrase or a sentence or a paragraph taken out of its context, which has been done by my hon. friend; I am going to read the whole of an article which appeared in the Toronto *Globe* of November 10, 1936, the four-star metropolitan edition, page thirteen. So there will be no mistake about it, it appeared on the first page of the second section, columns five and six. The article is headed and reads:

Costly Inefficiency in Government Seen

Must be eliminated to avert fascism in Canada warns Colonel Drew

Canada must eliminate the costly inefficiency of ten governments doing, in most cases, the job of one, or else sink in the rising tide of fascism, Lieutenant Colonel George A. Drew predicted at the board of trade club last evening.

"A democratic government must be efficient to survive," he warned.

"There is a growing doubt, especially among our youth, that we can go on supporting this ridiculous overlapping of government.

"Surely something must be 'rotten in Denmark' when twenty cabinet ministers can control 45,000,000 people in Britain and we need over one hundred to direct the affairs of less than a quarter of that population," Colonel Drew declared.

"This tremendous overhead and duplication of government is the fault of no one party. But we must decide now whether we are to have nine nations or one."

With warnings of expanding fascism in Quebec and evidence everywhere of a breakdown of confidence in democratic government, where inefficient, Colonel Drew explained that this same lack of faith had been the root of fascism in Italy and nazism in Germany.

Expressing firm confidence in the principles of democratic government, Colonel Drew thought that Canada could well afford to tear a leaf or two from the fascist book.

I have read the whole report from page 13 of the *Globe* of that date. The number 13 sometimes is somewhat significant.

Mr. Graydon: It is going to be your lucky number, too.

Mr. Coldwell: That is all very well, but I want to say this to my hon. friend. All these boasts of what is going to happen do not mean anything to me. All I have been interested in is to see that this party, and indeed this parliament, serve the best interests of our people, and where deception is practised let it be exposed.

Mr. Graydon: Whoop it up, boys.

Mr. Coldwell: My hon. friends like to shout "Get together with the Liberals," but I want to say that we are not getting together with any other political party.

Mr. Graydon: There are some others wanting to get together with you.

Mr. Coldwell: We have policies, we have principles, and we do not propose to sell our policies or principles down the river in any province in Canada, even to those who stand for the overthrow of the institutions of the country in which we live, whether they wish to overthrow them by violent means or whether they wish to undermine component parts of this great nation in order to obtain a temporary victory in any political fight. I wanted to make these comments, Mr. Speaker, on a matter to which, when I prepared my notes, I did not intend to refer at all.

There is one other thing I want to do before I sit down. I listened this afternoon with considerable misgiving to what the Prime Minister (Mr. St. Laurent) said about radio. I hope the royal commission which is to be set up will have an absolutely free hand to inquire into all matters pertaining to radio, including, I would hope, both public and private radio. I would hope that the words of the Prime Minister this afternoon about the authority vested in the present broadcasting corporation will in no way be taken by the royal commission as either an opinion of the government or a direction. The Prime Minister shakes his head, indicating that he did not intend it that way. I am glad to know that.

I am glad that the Prime Minister referred this afternoon to the late Right Hon. R. B. Bennett, and his part in the setting up of the radio commission, the broadcasting corporation, and the national radio system we now have in Canada. I suggest to my hon. friends on the right that they read the speeches of the leader of the Conservative party at that time, and see what he had to say. There was unanimity on all sides of the house that this great utility, the air, which belongs to the people of Canada, should not be alienated for private profit, private gain and private monopoly, because, as the Prime Minister said this afternoon, every air wave that is alienated to a private radio station gives that radio station a monopoly of that air wave. It is granting a monopoly, and I say we should safeguard the rights of the Canadian people.

May I say that I regret exceedingly that in the last few years we have seen the broadcasting corporation recede step by step from its original position. We have seen radio stations owned by private interests getting more and more power until today there are private broadcasting stations having as much as 50,000 watts, something that was never intended when the radio bill was placed before the house. In order to sum up what I have to say I want to remind the house that on May 11, 1933, when there had been some criticism of the radio bill from the Liberal side of the house, Mr. Bennett said, at page 4891 of *Hansard* of May 11, 1933:

> I confess that I felt somewhat distressed this afternoon to find all the opposition coming from my hon. friends across the gangway. I cannot think that that is in the interests of this great national undertaking.

The Right Hon. Ernest Lapointe, then sitting opposite Mr. Bennett, interrupted and said, "hear, hear." The Right Hon. Ernest Lapointe and the leaders of the Liberal party in those days were as keenly in favour of preserving for the people of Canada the air waves, this great public utility, as was the Prime Minister of that day who led the gentlemen who are now following a new leader, and apparently a new policy in this regard. After the interruption by Mr. Lapointe, Mr. Bennett said:

> No words that I can use would exaggerate what I conceive to be the importance of this matter in relation to the body politic. I look upon it as one of the foremost means of education that the world has ever known, and I believe we must not permit it to be destroyed either by political differences or by the insidious efforts of private interests to destroy public ownership of this utility.

I say to you there has been not only an insidious campaign but also a public and flagrant campaign to undermine and destroy this great public utility.

In the minute that remains to me I should like to pay a tribute to the broadcasting corporation of this country. I know of no other broadcasting organization in the world, with resources so little, doing the kind of job that our radio corporation and its employees are doing today in Canada. As a habitual listener to the radio, when I have the opportunity, I say that if you place Stage 49 with its drama, the Wednesday evening programs of the C.B.C., apart altogether from the numerous forums, talks on educational and other topics, the splendid school broadcasts, the kindergarten of the air, and all the rest, side by side with what is done by private broadcasting companies with far greater facilities, and great masses of wealth behind them, you will find nothing better anywhere in radio that I know of than what has been done by the corporation in Canada.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Coldwell: Mr. Speaker, before the house rose this evening, in the course of my remarks I had intended to congratulate the

mover and seconder of the motion we are now discussing, but I overlooked it. On behalf of my colleagues as well as myself, I am now extending congratulations to the mover and seconder for the manner in which they performed that important duty.

I wish to look for a few minutes at the speech from the throne, Mr. Speaker. I think the speech from the throne is, in many respects, very disappointing. It is disappointing to those of us who had hoped that steps would be taken at this session to protect the economy of our country and the health of our people, and to relieve the burden of high prices as well as the lack of housing with which the country is afflicted.

May I say, at once, we agree that the first care of any government at this time should be to ensure peace and security. Many years ago a great British statesman said, if you would understand the foreign policy of a country, you must first of all give some attention to or study of its domestic policies. In the main, that is what I propose to do this evening, although my time being limited, I shall be able to deal with only two of the main items in the speech from the throne.

We agree that we must base our external policy upon the united nations. We must do everything in our power to co-operate with other countries in the preservation of peace throughout the world. We realize that advantage must be taken of the united nations organs which have been set up to deal with economic, cultural, and humanitarian problems and to make provision for regional security pacts, whenever it is in our country's interest so to do. I believe it is very important that the people of Canada know where the various political parties stand in relation to these important matters. The government has stated its policy. The Progressive Conservatives are apparently divided because of the statements that have been made in the province of Quebec by the president of the Progressive Conservative organization in that province.

Tonight, I wish to place before the house the statement on international policy and the proposed North Atlantic agreement which was adopted this week end by our national council representing people elected by our national convention and the various provincial organizations from every province in Canada. It reads as follows:

> The national convention of the Co-operative Commonwealth Federation last August expressed its full support of the European recovery program, and welcomed the western union among the United Kingdom, France and the low countries which had been cemented by the Treaty of Brussels. The C.C.F. is glad to note that the economic recovery of Europe is proceeding encouragingly in spite of communist led opposition and sabotage.
>
> [Mr. Coldwell.]
>
> The C.C.F. is convinced that mere military alliances cannot guarantee peace. Economic recovery must continue to be the primary objective. This is why the C.C.F. welcomed the Brussels Treaty. In addition to providing for mutual assistance against aggression in Europe and for joint defence arrangements, the treaty gives priority to economic considerations. It binds the parties to fortify and preserve personal freedom and political liberties, to strengthen their economic and cultural ties and to create in western Europe a firm basis for economic recovery. It sets up the machinery for these purposes. Provisions are also made for the admission of other nations with similar ideals. The treaty has been registered with the united nations, and is in no way contrary to the charter which specifically provides for regional co-operation and defence.
>
> The failure to achieve disarmament and world security through the united nations, and events in Czechoslovakia, Berlin and elsewhere, have increased tension throughout the world. The military staffs committee and the commissions on armaments and on atomic energy of the united nations have all found it impossible to reach agreement on basic objectives. There is thus no existing guarantee of protection against aggressive war, and the very economic recovery of western Europe is threatened by fear and insecurity. The proposal has therefore been made that western union be strengthened by a north atlantic pact which would include at least the United States and Canada.
>
> The C.C.F. believes that Canada should support and join such a north atlantic security pact. Efforts must be continued to build the world security system called for in the united nations charter. But until such security is achieved, a regional pact, in line with the provisions of the charter, will increase the degree of mutual aid and assistance among the western democracies. Through a broader co-operation of defence policies, it will reduce the strain upon the European economies which all military programs involve. It will thus tend to ensure the eventual success of the present efforts to restore to western Europe a full measure of economic independence.
>
> The C.C.F., however, insists that such a pact should be based upon the broad principles so clearly stated in the Brussels treaty. It must provide for the fullest possible economic co-operation, aim at a high standard of living and increasing democracy in all participating countries, and thus give the western world the dynamic democratic leadership which is the only real answer to communism.
>
> Like the Brussels treaty, any such atlantic pact must be registered with the united nations and remain open to other members of the united nations on the same terms, so that it may grow as far as possible into a general security pact. All plans and commitments under it must be supplementary to the primary objective of economic reconstruction. The consultative machinery under the pact should provide Canada and every other signatory with a full and equal voice in the determination of policy.
>
> The probable cost of the military and other commitments to this pact make more urgent than ever the immediate introduction of the C.C.F. policy to place the burden of taxation on those best able to bear it. It also emphasizes the need for measures of control over industry and production, which would allow for the effective planning and use of our resources to meet all our obligations and at the same time to develop a higher standard of living and social security for all our people. The C.C.F. affirms again that the best defence against communism and all forms of totalitarianism rests not on military might but on social justice.

I wish to repeat, Mr. Speaker, that this is a statement very similar to the one which

I proposed to make myself had I spoken last Friday and had this meeting not been held this week end. It is a statement approved by the national council of our nation-wide organization.

I wish now to turn to another problem, because I believe it is of paramount importance to our country at the present time. The problem with which I wish to deal is the difficulty we are finding in marketing so many of our products; that problem is both pressing and real. During the war we were impressed with the growing interdependence of the nations for the general welfare of all the peoples of the world. The economic and social council which was established as a principal organ of the united nations was a recognition of this fundamental fact. There can be no guarantee of peace and prosperity as long as peoples are underfed, underclad and underhoused.

It is in the interests of Canada to do all in her power to support every effort to deal with the distribution of agricultural products and foodstuffs, beyond our borders as well as within the borders of our own country, where that distribution is, at times, far from satisfactory. Canada produces a vast surplus of wheat, fruit and all other food commodities.

Up to now, because of world conditions, there has been a demand for everything that we could produce. The trouble with many of us is, I think, that the European recovery program is obscuring the real danger to our Canadian economy. The plain fact is that the Canadian standards of living at the present time and the prosperity of our people—more particularly perhaps of our agricultural people—are dependent now upon the expenditures approved not by ourselves but by the United States in the form of gifts and loans, amounting up to the present time to over five billion United States dollars.

We have already experienced the effect of some of the stipulations which surround this vast expenditure. Advantageous to us, of course, is the provision that in order to mitigate the effects of shortages in the United States for the American people, some of the ECA funds may be spent outside the borders of our great neighbour. But on the other hand we find that other provisions work in the opposite direction. I believe that some $750 million will be spent in Canada during the current fiscal year. But a provision to which I have already referred, which is having a serious effect already on Canada, is the one that says that if any agricultural product is not fully needed in the United States and is, in the view of the United States government, a surplus commodity, then ECA appropriations cannot be used for the purchase of that commodity outside of the United States. Already one of our agricultural products, namely, flax—about which the Minister of Trade and Commerce (Mr. Howe) this afternoon gave what I thought was a warning to our producers in Canada, of which they should take notice—has been adversely affected by that provision. Should the United States, in the next year and in the years following, reap a substantial wheat harvest, if the plan continues, then ECA dollars could not be used by Great Britain for the purchase of Canadian wheat unless some other arrangement were made.

The speech from the throne disappoints us because it is silent on this important matter of marketing. For many years our organized farmers have been asking for orderly marketing; and it would seem to me that at this session this house should be giving a great deal of consideration to the establishment of a national marketing agency for our primary products, and particularly for our farm products, which will enable us to deal intelligently with the developing situation.

At the moment we find difficulty in the marketing of British Columbia fruits, Nova Scotia apples, and so on. I believe that at the present time the small fruits that were going to Britain — the raspberries and strawberries of the 1947 crop—are still largely in British Columbia; and what is developing in regard to apples, fruits, salmon and so on, may develop, if we are not careful and prepared, in relation to that great product upon which so large a proportion of the agricultural section of Canada depends, namely wheat. Indeed, apart from all that I have said, if a world wheat agreement cannot be reached, our prairie farmers in the future may face a grave situation.

For a good many years we have believed that our trading relationships should be conducted by import and export boards; and since the war this opinion has been greatly strengthened by what has been going on in other parts of the world, and by the economic difficulties which have arisen between nations in their trading relationships that are more and more determined by the ability to make direct exchanges of commodities; in other words, to barter goods for goods. We may deplore that kind of trading relationship in the world, but it is a fact that that kind of relationship is coming more and more into evidence all across the world.

Before the war Canada was in a happy position. We were able to sell commodities in the British market and elsewhere and to receive payment in funds that we could use in order to purchase goods in the United States or anywhere else. As we all know, the

liquidation of British overseas investments during the war, and the impoverishment of other one-time customers of our country, have made it impossible for us to continue trading on this basis, because there are no longer overseas investments to provide Great Britain with the necessary dollars, or indeed capital equipment, so largely destroyed during the war, in some of the other countries, in order for them to produce the goods they need to pay for the goods that we could send to them. Hence it is of fundamental importance that we should have the machinery not only to market but to trade effectively with those who are prepared to trade with us.

I do not propose tonight, because the time is not available, to go into all the ramifications of this particular condition. Suffice it to say that the lack, on the part of our customers, of a currency which we can accept and use, together with the industrial poverty of large sections of the world, particularly of Europe itself, is endangering the future of our whole agricultural economy.

Then too, going hand in hand with this situation, is the substantial recovery that has been made in the agricultural areas of Europe, so that today European countries are offering the United Kingdom the opportunity of obtaining some cereals, fruit, eggs, bacon, meat, dairy products and so on where she can pay either in sterling or by a direct exchange of goods for the foodstuffs she requires. As well as the advances in the agricultural output in Europe, we must bear in mind that the United States today, according to the statisticians in that country, is geared to produce 1,300 million bushels of wheat in a normally good year. Of that vast quantity of wheat that can be produced in the United States, not much more than one-half can be consumed in that country.

I am bringing these matters to the attention of the house because of the implications for our own country and the necessity of adopting intelligent marketing plans for all our products, particularly for wheat and other cereals upon which such a large proportion of our agriculturalists rely for their prosperity. Although I am speaking of cereals at the moment, I am not overlooking the other agricultural products. I have used wheat just as an example of what may happen to the other agricultural products in our country. May I say here that, if we are to market intelligently, we must end speculation in the marketing of foods.

The time has surely come, and I hope the government will endeavour to secure the co-operation of the western provinces, to close forever the Winnipeg grain exchange. I am quite sure that when we make this request, as we have done over and over again for many years, we are voicing the opinion held by a majority of our prairie farmers. So we not only urge that the wheat board be made the sole marketing agency for wheat and flax; we ask that all coarse grains as well be marketed under a board, which at the moment we call the wheat board, or in any event under a single marketing agency.

While there is disappointment at the price of wheat for the next crop year under the British agreement, a disappointment that it was not set at more than $2 a bushel, if when the time comes to make the final adjustment it is impossible for the British, because of their trading relationships, their financial position, or for other monetary considerations, to make up the amount the farmers feel they should receive, as I said when the British wheat agreement was before this house in August of 1946, we believe we should make it up out of the consolidated revenue fund of Canada. That is what we have asked for; and I remind the house that, speaking on that agreement, I used these words:

> If the costs of production and of living continue to rise, a compensatory adjustment should be made out of the consolidated revenue fund of Canada.

I remember that at the time the Minister of Agriculture (Mr. Gardiner) said some $200 million had been provided for other farm products, and that he saw no reason why the matter of compensation should not be considered in this connection if the necessity arose. Let me add that farm costs have gone up. If we take the index of 100 in September, 1945, as the basis, by September of 1948 the general price index in this country—and I am using the figures of the bureau of statistics—had risen to 133, while wages had risen to 127. Farm living costs—and the costs of production have gone up more, I think, on account of increases in the cost of machinery, oil, distillate and so on—had gone up to 138, so the condition we feared has I think come about.

I also want to say something about the health plan which has been mentioned. Such a plan was incorporated in the Liberal platform of 1919. As long ago as March, 1928, a committee was established to consider the matter. More recently again, in 1943, a committee reported to this house recommending a health insurance plan. Proposals were laid before the dominion-provincial conference. Some financial considerations had to be gone into more thoroughly, but there was a general belief that something of this sort should be done. The plan so much talked of by the government at the moment is not a plan at all. It is simply an appropriation which will run out, and which has to be used during the current year. In my opinion this is insuffi-

cient at the present time. Our people need a plan adopted by this house, with appropriate legislation to ensure that it will be a continuing plan. The government has made a number of grants; for example, a grant for a health survey, and grants for other projects in the provinces. The principal defect in the whole scheme for the year 1948-49 is that the planning and execution must be undertaken at the same time, which in many provinces is an impossibility. It will be interesting to see just how much of this appropriation has been spent by the provinces up to the present time, or what allotment has been made to them, so that we may know precisely what this has amounted to during the current year. As I have said, the outline which was given to the house compels the provinces to discover their requirements and at the same time put their projects or schemes into operation. Therefore the one cancels the other, and it seems to me the plan is self-defeating.

The other great defect, because it is a discriminatory provision, is that a province must maintain its expenditures in any of these fields at their present levels, and use additional federal funds for new projects. This certainly penalizes any provinces which accepted in good faith the proposals of the dominion at the dominion-provincial conference in 1945. That is what happened, at least, in the province with which I am most familiar, Saskatchewan. There the government used its own financial resources to the very limit, in the belief that the dominion grant would meet half the costs. Instead of that, this province must continue these heavy expenditures without further aid in order to qualify for any portion of the proposed grants. In other words, as I have said, it penalizes the provinces which took seriously the 1945 proposals of the dominion government. I think it will be agreed that the Saskatchewan government did a remarkable job in connection with hospitalization, almost doubling the number of hospital beds in the province in the last four years, either by expanding the larger hospitals or by building new rural hospitals, of which there are a number.

Therefore, Mr. Speaker, seconded by the hon. member for Vancouver East (Mr. MacInnis) I move:

That the following words be inserted in the amendment between the word "address" and the word "we":

We regret that Your Excellency's advisers have failed to make provision for the orderly marketing of our natural products, and for their exchange for goods needed in Canada, and for the elimination of speculation in foodstuffs:

We regret further that Your Excellency's advisers have failed to make provision for national health insurance;

Therefore . . .

Then the amendment moved by my friends of the Progressive Conservative opposition will follow.

Now, if I may conclude with regard to the health plan, the speech from the throne merely expresses satisfaction that the government is receiving co-operation from the provinces. That is not good enough. Our people need a nation-wide health service. If any measure of social security should receive the sympathetic and favourable consideration of the house at this time I think it is a dominion-wide health plan. I often wonder how people with very low incomes having serious sickness, particularly if that sickness is prolonged, can possibly give the care that is needed to those whom they love. So I say this session of parliament should not end without the government bringing before the house legislation for a comprehensive national health plan.

There are other measures, of course, which I should have liked to discuss tonight had my time permitted, such as the question of adequate housing, the return of beneficial controls and subsidies in order to maintain a reasonable level of prices and of living. These are essential matters which should be dealt with this session. The problem of housing remains unsatisfactory, as I have said. I believe the government is going to continue rent control for a further period, which from the correspondence read this afternoon by the Prime Minister (Mr. St. Laurent) I understand to be another year. That is not enough. We need a subsidized housing plan so that people with small incomes may enjoy decent and adequate housing. Indeed, under the charter of the united nations, though of course in signing it we were not committed in the sense that we sometimes use that word, nevertheless when we signed that charter we were obligated to bring about social security and other needed reforms for which our people have been asking for so many years.

So, Mr. Speaker, in conclusion I want to say that this party in parliament will co-operate with the government or the official opposition or the Social Credit party in the house in endeavouring to bring about a better deal for the great masses of the people in this country.

Mr. Solon E. Low (Peace River): Mr. Speaker, my opening words should be those of sincere congratulation to the mover and seconder of the address in reply for the splendid contribution they made in initiating this debate. I believe there are many things, particularly in the speech of the mover, with which I could agree.

I am hoping that his recommendation with regard to the St. Lawrence seaway is acted upon fully and at as early a date as possible by the government. It is interesting to me

that the first important item dealt with in His Excellency's speech, and also dealt with in the speech of the Prime Minister (Mr. St. Laurent), was that of peace. We are all interested in peace. We are all very much concerned about the world situation, which does not hold out too much hope for peace. I think I can safely say that we all want peace, but some of us spend our time trying to dig out and remove the causes of war and unrest while others spend their energies treating symptoms and not causes.

The Prime Minister dwelt at some length on the efforts which his government and that headed by the right hon. member for Glengarry (Mr. Mackenzie King) made to achieve peace. He set out at length in his review what had been done to sponsor a world organization, the united nations, and how this government had remained loyal in support of that organization.

He also mentioned the new Atlantic pact. I wish to say right here that we of the Social Credit organization favour the Atlantic pact, and support it. But we do think that during this session either the Prime Minister or the Secretary of State for External Affairs (Mr. Pearson), my genial friend who is sitting so close to us, should enlighten the Canadian people about the cost to them of this Atlantic pact. I think the people are entitled to know what it is going to involve, and just how much it is going to cost.

I think, sir, that in the united nations we have had the cart which this government gave us. Now it looks as if they have come to the horse. It is quite clear that they have lost faith in the united nations assembly and in the security council, lost faith in the ability of the united nations to achieve the objective which they were so sure was going to be reached through the united nations, and that was world peace.

I think the suggestion today of the Atlantic pact indicates the government's loss of faith; and we would like to draw the attention of the house to the warning which we gave the house when the charter was before it for ratification back in October of 1945. At that time I thought I made it abundantly clear that while the Social Credit movement was anxious to support any form of international co-operation which promised peace and security to the people of the world, we did feel that such proposals as were put forward should be scrutinized with great care, and that the real authors of the schemes should be known.

I think at that time I said something like this, that the real authors of the San Francisco charter, the men who actually drafted it, were evidently so anxious to obscure any of its dangerous and anti-democratic features behind a smokescreen of platitudes and humanitarian phraseology that they overreached themselves. At that time I continued in this way, as anyone who reads my speech of October 18, 1945, will see:

> I have already shown that the profession of purpose set forth in the preamble of the charter bears no relation to the sinister purpose which one uncovers in the proposed organization itself.

And, if you will recall, I did say at the time that my real criticism of the whole business was that the expression of high humanitarian purpose and lofty ideals contained in the preamble were completely negatived and set at nought by the details of the organization outlined in the body of the charter; and in no way could the details of the proposed organization be sustained in the high principles so ably set forth in the preamble.

> The organization—

I pointed out at that time—

> —embodies features which are flagrant violations of the most precious principles of democracy and of human justice. It is not only unworkable but, I submit, highly dangerous. By no stretch of the imagination could it in its present form possibly serve the cause of peace and human progress.

That was not to say that we had no faith whatever in any attempt to achieve international peace. But we did call in question the authorship and weaknesses of the charter. I wish to make just as clear as I possibly can, and in a very few minutes, why it was we took that position at that time, and why it was we advocated that the government scrutinize most carefully the whole proposal and measure it in relationship to the personalities who drafted the charter.

We were not any too happy about it, because we had been watching the changing international scene, and we saw congregated at Dumbarton Oaks and again at San Francisco a number of the wretches who had rendered unworkable the league of nations; they had their fingers in the pie again. It was they who were taking a prominent part in the drafting of the San Francisco charter. And when this assembly was asked to examine and to ratify that charter there was not a single other member in the House of Commons who rose to call in question that very feature, which I outlined clearly on that occasion.

That was the reason, the main reason, why we felt there was little chance of its succeeding. I should like to refer to something else, just by way of justification of the stand we took, and by way of explanation of what I wish to say tonight. At that time I said this:

> Suppose that a nation came into conflict with another on an issue which divided the Big Five members of the security council, or to put it in this way, the five permanent members of the security council, a thing which is quite possible, bent as these

nations seem to be on continuing the old game of power politics; and hell-bent as they are to vie with each other for world industrial, commercial and influential supremacy. For example, suppose that a communist government in Bulgaria threatened to take armed action against a democratic government in, let us say, Greece. Any proposed action by the security council could and probably would be vetoed by Soviet Russia. Would Great Britain and the United States remain passive in such a case? If they did, or if they did not, either way, that would be the end of the united nations organization for world peace. That, actually, is but one of hundreds of situations likely to arise that could bring the members of the security council into conflict among themselves, and then we would have another global conflict instead of a localized affair.

I ask hon. members to keep in mind that that was uttered in 1945, not many months after the end of the war, at a time when there were so many idealistic frothings about the wonderful thing for the world the organization was going to do. The very thing that I mentioned as a possible example did happen, and right there was marked the end of the possible effectiveness of the united nations organization in achieving world peace.

I maintain that what we are doing now in the setting up of the Atlantic pact ought to have been done in 1945 or as soon after the war as we possibly could get at it. But the Liberal government put the cart before the horse. During the years that have elapsed since that time the world situation has deteriorated quite considerably. Communism has spread until it encompasses almost half the globe and threatens the other half. I say to you that by some concerted action at that time, such as the Atlantic pact, action based on reality, we possibly could have prevented the serious deterioration that has taken place in the past four years.

I mention this because I want you to draw a lesson from it. The main criticism that I have of this government is that they are always in a tremendous hurry when they are on the wrong road but have rocks tied to their feet when by some chance or other they happen to be on the right road. Unfortunately I find that they are unwilling to take a second look at proposals that are made in good faith and sincerity by people who have been following the course of events and who come forward in an honest manner to make such suggestions. We Social Crediters have tried to do that. We have made suggestions in all good faith. We have tried to show that we would co-operate in anything that they wished to do that would be for the benefit of humanity.

I am afraid that this government is too ready to follow policies such as were illustrated when I was in Scotland this last autumn. I was talking to an old Scotsman out on the moors. He said, "You know, Mr. Low, it is not so many years ago when my father and I were crossing the moors. We saw a very peculiar animal. We went closer to it and as we walked around and examined it we saw that it looked like a pig. But it was a little different. My father said to me, 'Is that not a peculiar pig?' Just then a voice came from the direction of the pig saying, 'I am not so peculiar.' My father could hardly believe his ears, but it was the pig speaking. The pig said, 'I am the sole survivor of the Gadarene swine. You know the story? We Gadarene swine were peacefully feeding one day, when a peculiar spirit got into us. Somehow or other we got it into our heads that we should run for the sea, and we headed that way just as hard as we could go. As we were all about to jump in, I decided that while that might be a good short-range policy, it had no future. I dug my feet in and I did not go into the sea. The rest of my companions did, and all were drowned. That is what happened. I am the sole survivor.' The Scotsman said, 'I am certainly sorry for you, Mr. Swine.' The swine replied, 'Do not feel sorry for me, at least I am alive.' "

I think that is exactly the position the government is taking on many of these things. They think it is enough to be alive, to have survived, to have stayed in power. I say that it is not enough to survive, it is not enough to be alive. There are things much more important than that. The welfare of the people of Canada is the most important concern of any government.

I would like the government to take a look at the whole present world situation to see, in the light of what I am going to say now, if they cannot find in it the hand of some power that seems to be directing world affairs toward a most uncertain end in line with the policy of the Gadarene swine.

I had the privilege of visiting Germany through the courtesy of the empire parliamentary association. I saw the efforts that were being made to re-establish that country. I had the privilege to visit Berlin and I saw the air lift that is being so magnificently carried on by the R.C.A.F.—

An hon. Member: R.C.A.F.?

Mr. Low: —the R.A.F. and the American air force, not the R.C.A.F.

An hon. Member: Where were the R.C.A.F.?

Mr. Low: They were conspicuous by their absence. A magnificent effort was being made. The combined air forces were bringing in to the people of Berlin four thousand tons of foodstuffs and other materials every day. That is at that time, but I believe they are carrying more today.

After seeing Berlin I said to myself, "Who in his right senses would have arranged the division of this country among world powers in such a way as to set up Berlin as an island

in the middle of Russian territory with no corridor leading up to the city?" Then I heard somebody answer, "Well, we had to show our confidence and trust in our friend Russia." I say that when that arrangement was made to establish Berlin as an island in the middle of Russian territory with no corridor by land or water the people who made that agreement were well aware of the fact that you could not trust Russia. Russia had already given evidence that she could not be trusted.

Was it stupidity? I do not believe it was stupidity. Let us look a little further. When in Berlin, I saw the terrible destruction that had been visited upon the city. There was hardly a building that had not been more or less destroyed. But deep inside British territory I saw a beautiful building untouched by war, and when I asked the guide what it was he said that it was Goebbels' radioplast. When we went up to it we found it was guarded by a detachment of Russian soldiers. That plant was in the hands of the Russians and they were using Goebbels' high-powered radio transmission machinery to send out their vicious and lying propaganda over the whole of Europe.

I ask you, "How did the plant—situated a mile and a half inside British territory, get into the hands of communists? Was it the result of stupidity, or was it malevolence or perfidy of the highest order?" That is something that ought to be determined. Another thing I saw inside British territory was a huge Russian victory memorial which was guarded day and night by Russian soldiers.

Who allowed that to happen? Then I want to know who is responsible for the dismantling and scrapping debacle in the Ruhr valley. The new minister of external affairs (Mr. Pearson) ought to be informing himself about that business. I visited the Ruhr valley. I found, for example, that the C.C.G. government—that is, the military government in conformity with the Potsdam agreement—had set parties to work dismantling some of the big German steel and manufacturing plants. They were those that were classed as potential war dangers. In dismantling those plants the engineers were very careful to see to it that the parts were labelled so they could be re-erected easily. I discovered that one of these very large steel plants, full of very important and expensive machinery, had been allocated to Yugoslavia, to be sent behind the iron curtain!

The plant I mention constituted a danger while it was in Germany because they said it might be used for war purposes, but of course it would not constitute a danger behind the iron curtain, and so it was being allocated to Yugoslavia. Mr. Speaker, that sort of thing does not just happen, not by any means. When I asked about it the answer I got from the young man who was in charge of the dismantling operation was, "Yugoslavia helped win the war, didn't she?"

Down in the Ruhr valley I was told there were 50 million tons of surplus scrap iron left in Germany and to be left there according to the Potsdam and other agreements. No serious effort was then being made to get the scrap out of Germany, who does not need it. Nor was there any effort being made to get a fair portion of it into the hands of Great Britain, who has been starving for scrap iron, and who had made such a magnificent effort and spent almost her all in helping to win this war to save the world for democracy. I say that the agreement by which that scrap iron was to remain in Germany was a stupid agreement. There is nothing under heaven that could stop the Russians from reaching the Rhine and that scrap, if they ever take it into their heads to start moving towards the Ruhr. And they certainly would not hesitate to throw the scrap back at us if they got possession of it. I should like to know who it was who arranged the agreements by which the piles of German scrap become a potential danger to the democracies.

In my inquiries as I went through Germany I was told that all of these strange things came about as a result of the Yalta and the Potsdam agreements. But, you say, the framers of those agreements were no fools! When I began to carry my inquiries a little further I found, for example, that men of questionable character and integrity in high places were at the elbow of those men who, on behalf of the allied nations, made the Yalta and Potsdam agreements. I will tell you about one of them. Just recently in New York a man by the name of Alger Hiss—that may bring memories back to some people—was indicted by a grand jury on a charge arising out of certain vital information which leaked out of the United States to Soviet Russia during the war. At the present time, Mr. Speaker, Alger Hiss is the head of the Carnegie foundation for world peace. He was formerly a member of the state department of the United States. Significantly, as a prominent member in the state department, he helped to organize the Yalta and Dumbarton Oaks conferences, and acted as secretary-general of the united nations conference at San Francisco, which built the charter and established the basis for UNO. But he has been named as a prominent member of the underground communist party of the United States.

All along this man has been right at the elbows of the men who were responsible for making these atrocious agreements such as Yalta and Potsdam. He was probably an adviser to the men who made the agreements with respect to the scrap, with respect to dismantling, with respect to the division of Germany, and with respect to a good many other things. With such men wielding power, is there any wonder UNO is a miserable failure? Who knows how many of such perfidious civil servants there have been in the government of the United States, the government of Canada, and various other governments, lending their support to Russia while posing as patriots? Who knows but that the influence of such men was responsible for keeping Great Britain and the United States out of Berlin and letting the Russians go in six weeks ahead of them? In that six weeks, while the Russians were there in sole possession, they divested the city of everything of value, filched it away into Russia, and then set about the most degrading and bestial treatment of the people of Berlin that one can imagine.

It is that sort of thing which makes me feel that this Liberal government should be calling into question and bringing under careful scrutiny some of the institutions they hold up as examples of international co-operation. Some of these organizations were founded not on the high, humanitarian principles expressed in the preamble of the charter of the united nations, but upon the desires of hidden minds and the works of hidden hands.

I think perhaps the impression that one gets more strongly than any other from reading the speech from the throne is that the Liberal party is utterly bankrupt of sound ideas of how to deal with and solve the fundamental problems that face Canada and the world. One sees in the actions of this government, in the speeches made by its members, and in the speech from the throne, plenty of superficial attempts to treat symptoms; but honest efforts to dig right down to the foundation of things, to find the basic causes, and to remove or remedy them are completely foreign to present Liberal desire or inclination. Let me cite an example, and I suggest there are plenty of such examples.

The Minister of Agriculture (Mr. Gardiner) was recently in Great Britain where he gave an admirable speech before the board of trade in London, if I remember correctly. He criticized, and quite rightly, the currency situation which prevents the hungry people of Great Britain and other sterling countries from buying the abundant food products of Canadian farms, as a result of which, he warned, Canadian farmers will probably have great trouble in selling some of their 1949 crops. That means there will be unsaleable surpluses of food materials.

Just a day or two ago Mr. Hannam, the president of the Canadian Federation of Agriculture, had this to say at Saskatoon:

> I feel keenly that we are coming dangerously close to the point where we move from an era of shortages into an era of surpluses. Canada could be the first nation to be faced with embarrassing surpluses in the face of crying need in other parts of the world.

The people of this country want to know what the Liberal party is doing about that currency problem, which is nothing more or less than a crazy war between those who are determined that the dollar shall dominate the world, and those who are desperately attempting to hold on to the last vestige of pound-sterling imperialism. Behind the scenes, the financial racketeers and big shots are having an enjoyable time about it all while they continue to pull the strings which cause blind governments to dance to their tune. I tell you it is not the government that suffers; it is the people, and that is the important thing. It was not long ago that this Liberal government, grossly misled by the international hysteria that has been sweeping the world, and encouraged by other members and parties of this house, with the exception of the Social Crediters, plunged recklessly into the Bretton Woods agreement, and held that up as their proposal for the solution of the world's currency war.

I challenge anyone on the Liberal side to stand up on this floor today and defend Bretton Woods or say that he believes the situation complained of by the Minister of Agriculture can be cured by using the Bretton Woods agreement. What else have the Liberals to offer as a means of getting at the real root of this whole trouble to correct it so that Canadian producers can sell what they produce and enjoy freedom from fear?

Here is another example. I was interested in reading in the press of January 25 a report of a speech which the new Minister of Reconstruction and Supply delivered in the city of Toronto. After speaking of conditions in 1949 the minister had this to say about 1950. I take the liberty of quoting from his speech, and I hope the report is a faithful one:

> With respect to 1950, the outlook is much more uncertain but I would not be surprised if private investment activity would, in the years beyond 1949, begin to slide to a lower level. It is in the years after 1949 that public investment may have to play a more important part.
>
> Part of it is my responsibility and I shall act accordingly, but a lot will depend upon what provincial governments and municipalities can do in their domain as well as the co-operation we receive from industries, both capital and labour.

The minister continued by expressing the hope that the various governments, provin-

cial and federal, would help him provide a billion-dollar cushion against depression. Evidently, this billion-dollar cushion will be for the purpose of providing full employment and the various governments in Canada will have to be ready to spend this amount of money under what the Liberal party likes to call a "public investment" program. What does all this indicate? I think I should take a minute or two to analyse the minister's suggestion and to illustrate what I mean when I say the Liberals are adept at treating symptoms but are never ready to get down to basic causes.

External markets for Canadian goods have begun to show signs of tapering off during recent months. Britain's agricultural production is improving. Last autumn I visited Germany and was amazed at that country's recovery, both agriculturally and industrially. This year Germany had excellent crops, so the food situation there has greatly improved. It is fully expected that basic steel production in Germany will be back to an adequate peacetime level by 1950. European aid under the Marshall plan will terminate sooner or later, at which time United States money will not be taking up so much of our Canadian agricultural production. The effect of the Marshall plan is to make the countries of Europe self-supporting. Sooner or later, they are bound to come into competition with Canada.

It is patently clear that when substantial gifts of Canadian goods, together with the long-term credit sales of them to other countries, no longer take off the top layer of our production, we will soon face a condition of very large unsaleable surpluses in Canada. Unless something worth while is done about it, that situation will come about. The backlog of pent-up wartime savings of the people is fast disappearing. In fact, thousands of Canadians have already seen those savings disappear as a result of high costs and unreasonable taxes, which have themselves contributed to high prices. The government has itself contributed materially to these high prices. Therefore, we cannot depend on these pent-up wartime savings to keep up effective demand in Canada.

One already hears reports that men of forty-five and fifty are being told they are too old for certain jobs. This situation is bound to intensify as the months pass, for we are constantly making improvements in machinery and processes that reduce the need for manpower even though we maintain high production. Above all, our mechanized industry fails to distribute purchasing power amongst consumers to enable them to buy the entire output of the factories, fields, and mines. Machines produce but they do not eat. This thesis is being admitted as a fact by many prominent thinkers and economists today.

The council of economic advisers to the government of the United States recently presented to the President what has been described as a calm, temperate 140-page study of the economic situation in that country. The council members, all prominent economists, show themselves to be wholly committed to the idea of a balanced economy. According to them, the trick is to give the consumers enough buying power to purchase the goods they produce. They declare that consumer income, though it has increased relatively in the past ten years, is still far from adequate in relation to the other component parts of the economy.

As less and less of our Canadian production is drained off in gifts or for purposes of re-armament for outright war, this economic fact which I have just stated comes into full play. Unsaleable surpluses begin to pile up on the shelves of retailers, in the elevators, and on the farms. Retailers cancel orders to wholesalers whose warehouses bulge with materials they cannot move; hence, they cancel orders from manufacturers. When factories have no orders wheels stop turning, and unemployment begins to appear. With unemployment, salaries and wages decline; confidence dwindles; bread lines appear; business stagnates and depression is on us with all its tragic circumstances.

Faced with those facts, what do the Liberals do? They begin to advocate and develop plans for government spending which they call "public investment". That is the billion-dollar cushion upon which my hon. friend sits. The idea the Liberals put forward is for the federal government to centralize more power; to tax or borrow and spend the income to establish a policy of full employment. This policy carries with it a threat of destitution or starvation as the alternative. The result is a scramble for employment, much of which is devoted to making useless things in one place and trying to sell them in another; to digging holes or cutting down hills with shovels and wheelbarrows while marvellous machines, worth many thousands of dollars and capable of doing the job better and cheaper, stand idly by, rusting away for lack of use. When this stupid policy fails, the Liberal party will doubtless increase the bureaucracy. They will put many more of the unemployed in the armed forces to get ready for the war that will be inevitable if world affairs are allowed to deteriorate any further.

I quite realize that the minister of reconstruction's billion-dollar cushion could yield

some desirable results. Canada is in desperate need of the houses which could be built with a lot of this money, but the point I wish to emphasize is that, like every other so-called remedy for our economic ills put forward by the Liberals, this one will have the ultimate effect of depriving most individuals of more of their freedom. It will consolidate more and more power in the hands of fewer chosen individuals. Let us have the houses, certainly, but let us have them without going further into pawn to the merchants of debt through heavy additions to our present burden of taxation or debt. One cannot be blamed for drawing the conclusion that many of these remedies, as they are called, are not intended to work for very long. When parties and governments continue to treat symptoms in this way, instead of getting at the causes, one can hardly be blamed for concluding that they are merely acting as the dupes of those whose first objective is to centralize power.

This so-called public investment palliative is as old as the hills and has never succeeded in doing what its sponsors claim it can do. It does not solve the fundamental cause of business recession. Lest the hon. Minister of Reconstruction and Supply think I am his enemy, let me hasten to congratulate him on the energetic way in which he has tackled the affairs of his department. I suggest, though, that at an appropriate time he should lead out in this house in a debate on the billion-dollar cushion proposal which he has made in public.

Before I leave this particular item, I should like to challenge the government to tell this house during this debate exactly how it proposes to deal with the problem of surpluses as they begin to appear in the Canadian economy. If my memory serves me right, the Minister of Finance (Mr. Abbott) indicated last year his belief that it would require a big program of foreign investment to take care of it. I wonder what he meant. By that, did he mean that Canadian production will join American money in scanning the horizon for something useful to do with itself? I should like him to answer that question when he takes part in this or some other debate.

We of the social credit movement believe that these surpluses of Canadian production should be used to improve the standard of living of the Canadian people and, as far as they will go, to provide them with social security. Moreover, we do not hesitate to explain exactly by what technique those surpluses can be distributed to the Canadian people so that they will not be wasted. I wish to take just one moment to do that, Mr. Speaker—

Mr. Speaker: I must inform the hon. member that his time has expired.

Some hon. Members: No.

An hon. Member: Go ahead.

Mr. Speaker: With the unanimous consent of the house, the hon. member may continue.

Mr. Low: I will not delay the house for any great length of time, but I should just like to say this. I have already said that we are not at all afraid to place before the world exactly by what means we propose to put these unsaleable surpluses of goods into the hands of the Canadian people so that they can use them. Social credit, in its financial aspects, is the use of the national credit for the benefit of all members of society in the nation, not just a few members. The use of that national credit means that debt-free, interest-free money should be made available to the extent that it is required for the effective and proper distribution of all of the goods or things produced in the nation.

To bring this about, the first step required is to set up a national currency and credit commission to prepare and present to parliament an annual balance sheet, and to assess the relation between what the nation grows, makes and imports, on the one hand, and what it uses up and exports, on the other hand. If, in any year or period, the total production in our country, plus our imports, is found to exceed the total consumption so that unsaleable surpluses begin to appear, an appropriate amount of new money will be authorized and spent into circulation in one or both of two forms. The first of these forms is a national dividend to be distributed to every man, woman and child in the nation, which will provide for them some security and at least a modicum of freedom which will make it impossible for others to enslave them; this dividend to be provided through debt-free, interest-free money by the use of the national credit through the national currency and credit commission.

The second way would be a retail price discount on the things people buy, for which the retailer will be compensated with purchasing power provided by the issuance of debt-free, interest-free money through the national currency and credit commission. This constitutes the financial reform proposals for social credit. In its fundamentals it has been tried and found successful. I would point out that the dominion treasury right now creates, and spends into circulation, interest-free, about ten per cent of the new purchasing power that we use, without borrowing or taxing it away from the people. If they can create and spend directly into circulation that proportion of our new purchasing power requirements, then I say there is no logical reason under the

sun why a currency and credit commission should not, with a similar technique, put enough purchasing power into the hands of consumers to balance consumption with production so that embarrassing surpluses of goods need not appear.

People who champion what is loosely called the democratic way of life continue to protest their adherence to the idea that the teachings of Christ and the love of Almighty God bring democracy to its truest realization. Many of them insist that they believe in the sanctity of the human person and in individual freedom. Those who are associated with the social credit movement insist that human freedom and the highest ideals of democracy cannot be realized as long as people generally, or any section of our population, are the victims of economic pressure that results from man-made policies. We in the social credit movement insist that, in this age of plentiful production, the greatest single factor that can contribute to the release of people from economic pressures resulting from man-made policies is a reform of our monetary system whereby debt-free, interest-free money will be spent, not lent, into circulation by the national currency and credit commission to the extent that it is required, and only to that extent, for the efficient and proper distribution of all of the things Canadians produce.

In dealing with the so-called surpluses I have mentioned, I think it would probably be necessary to supplement the financial technique that I have outlined with regional conversion, processing and storage facilities, by government; and most certainly with international trade on a balanced two-way-street basis. We have already advocated the setting up of a world pool of food and other products to which the various nations of the world can bring their real surpluses; and when they have brought their real surpluses there, they can take back with them goods that they need and do not produce, to an equal value. We say that when that is done, and that when the nations have put their own houses in order, when they have removed social injustice, and have extended to the people, regardless of race, colour or creed, a full measure of social justice with freedom, then and then only shall we be able to achieve world peace.

Mr. Manross: On a point of order, Mr. Speaker, I should like to ask the hon. member for Peace River (Mr. Low) this question. Does he know that on the most important debate in the house, when he was speaking, there were present twenty-three Liberal members and four cabinet ministers? That is the real importance they attach to this debate.

[Mr. Low.]

Mr. Low: I did not know that because I was concentrating on making my speech. But I am sure the people of the country will like to know that fact.

Mr. J. A. Ross (Souris): First of all, Mr. Speaker, I should like to add my word of welcome to those new members who have been elected to this house since last session. I should also like to congratulate the mover and seconder of the address in reply to the speech from the throne.

On Friday evening and this afternoon I listened most attentively to the laborious efforts of the Prime Minister for some three and three-quarter hours—

Some hon. Members: Oh, oh.

Mr. Ross (Souris): Is that not right?

I listened to his lengthy address in which he discussed the speech from the throne and many other matters. We had a good deal of ancient history and many quotations. As I have only forty minutes, I wish to deal first of all with what appears to be a controversial subject in the province from which I come, as I think it probably is in some other provinces. I wish to refer to an article appearing in the Winnipeg *Tribune* of December 4, headed Killarney, and reading in part as follows:

> J. C. Davis, past president of the Manitoba Liberal Progressive Association told the meeting it was in the interests of voters of Souris constituency possibly more than any other constituency in the province, to work for the election of a Liberal member.
>
> The sitting member, he said, was a supporter of conservative leader Drew, who was in opposition to the implementation of the dominion-provincial agreement. This placed Col. J. A. Ross (P.C. Souris) in a similar position in direct antithesis to the rights of the prairie provinces.

No one took that very seriously at that time, but on January 12, the Winnipeg *Free Press* had this headline: "Ross, McDowell, Thorvaldson Denounced in Garson Address". In the Winnipeg *Tribune* of the same date appeared this heavy black headline: "Garson Attacks Souris M.P. over Tax Deal". In fact there is a good deal of detail in all three daily newspapers of that date. The *Tribune* goes on to say:

> Justice Minister Stuart Garson Tuesday accused Colonel Arthur Ross, Progressive Conservative M.P. for Souris, of "stabbing in the back" the tax agreement between the dominion and Manitoba.
>
> Speaking to the Manitoba Liberal-Progressive convention at the Fort Garry hotel, Mr. Garson charged Colonel Ross of "outrageous and impudent falsehood," in saying that the agreement was a "bad deal for the provinces" and in alleging that Mr. King had "scuttled" the dominion-provincial conference.
>
> Mr. Garson attributed these remarks to Colonel Ross at the Progressive Conservative convention in Ottawa last October, when he nominated George Drew for national leader of the party.

Then he goes on to point out that Mr. Drew had blocked a just deal, and said:

"If Colonel Ross . . . proposes to be an enemy of his province, the sooner he stops posing as a friend, the better.

It is a most singular coincidence that all the criticisms of the Manitoba government's position (on the tax agreements) have come from John McDowell and G. S. Thorvaldson, and from Colonel Ross."

Then I skip quite a bit, because the newspaper carried a detailed account of the hon. gentleman's speech, and I believe it was also carried over the C.B.C. that night, or at least the main portions of it. In another column the newspaper report goes on:

"An examination of this sessional paper and the text of Colonel Ross' speech shows that he has made a wholly improper use of these figures," Mr. Garson said, "and even his speech by itself shows that he does not know what he is talking about."

Mr. Sinnott: What has that to do with the speech from the throne?

Mr. Ross (Souris): Just as much as the speech of the Prime Minister I listened to for two or three hours this afternoon.

Mr. Garson said that in his speech Colonel Ross stated the figures he quoted were for the first four years operation of the dominion-provincial tax rentals agreement ending March 31, 1948.

"This does not make sense," Mr. Garson said, "as the dominion-provincial agreement commenced April 1, 1947, and concludes March 31, 1952, so that by the date named by Colonel Ross the agreement had been in operation not four years but only one year.

Well, this afternoon I heard the Prime Minister (Mr. St. Laurent) admit with some heat that words attributed to him were true but that he did not mean what they said because they had been taken out of their context and given the wrong meaning. That being so, I want to say that this is a gross misrepresentation, because I did not use those words and did not discuss any question of four years. I am going to have to quote the complete nomination speech I made, in order to keep the record straight. On January 15 of this year I wrote a reply to this statement by the Minister of Justice (Mr. Garson) which I sent to several weekly newspapers as well as the three daily newspapers in Winnipeg. In it I said:

Dear Editor:

If you will permit me the use of space in your valuable newspaper, I should like to make some reference to a controversial subject.

At a Liberal provincial convention held in Winnipeg, January 11, 1949, as reported in the daily press of January 12, Justice Minister Garson, ex-premier of Manitoba, delivered a slashing attack, with respect to dominion-provincial agreement, on Mr. McDowell, Mr. Thorvaldson and myself. Stating "that the question which the electors of Souris have a right to ask Colonel Ross, is whether he should support the efforts of the Manitoba government, or whether he should pull chestnuts out of the fire for Colonel Drew."

Mr. Garson charged that Colonel Ross in discussing the taxation agreement, when nominating Colonel Drew as Conservative leader, had been guilty of some grave misstatements of facts. May I say that all the facts and figures used by me at that time were taken from government records, and that at the first opportunity, in the approaching session of parliament, for the benefit of the electors of Souris, and of Manitoba, I will, with the justice minister, Mr. Garson, sitting opposite me, deal with the matter of dominion-provincial conference on tax agreements, and other matters, and quoting from *Hansard* proceedings, prove as to who has been falsifying the records.

Mr. Thorvaldson informs me that he has never, to date, discussed in public the present dominion-provincial tax agreement.

At the last annual Manitoba municipal convention, I did oppose Mr. Garson's proposal to place an added tax burden on land by way of dividing extra old age pension payments municipally and provincially, a matter which is rightfully a federal obligation, and the convention voted down his proposal approximately 650 to 7.

Keeping in mind a speech delivered by Mr. J. C. Davis, past president of Manitoba Liberal association, in Killarney on December 2, this is apparently all deliberate, cheap and false political propaganda developed by Winnipeg *Free Press*, Mr. Garson and others. Remember that Mr. Drew was premier of Ontario since August 1943, and Mr. Garson was premier of Manitoba since January 1943, and compare, during those years of increasing national revenue, what each provincial government has done, and is doing, by way of provincial payments for education, hospitalization, old age pensions and human welfare.

Thanking you for printing this and the detailed copy of my nomination speech of last October 1 which I enclose herewith.

Yours faithfully,

J. Arthur Ross.

I now quote the nomination speech, referred to in my letter:

Fellow Canadians—It is my privilege and honour to propose the name of a great Canadian, a man of great physical and mental strength, a person of charm, culture and dignity, one who was himself wounded on the field of battle—a personal friend with whom I have worked in the past on behalf of war veterans and their dependents—a journalist who has written several important articles on military matters.

He was chairman at the conference of defence associations in 1935 which was responsible for the reorganization of Canadian military forces.

In case of international difficulties he has the ability and vision to co-operate with the great nation to the south of us. He is recognized by many people as a North American Churchill.

He has won three provincial elections in succession. In his cabinet he has chosen young men of exceptional ability and vision. He has developed a highly efficient governmental system along business lines—has given the province the most progressive and advanced legislation of any province within Canada.

With respect to education—his government contributes at least 50 per cent of the cost, and in some cases as high as 90 per cent; thus relieving the municipalities of great financial outlays and with great improvement to the entire educational structure. Health services have been trebled. Capital grants to hospitals, depending on the type of hospital, are as high as $2,000 per bed.

Resources have been developed on a scale never before attempted, federally or provincially.

Farmers are permitted to conduct their business with a minimum of government interference as possible. As a result, the present number of rural seats now held by his government is greater than

has been held by any government in the history of the province, and those many rural M.L.A.'s were all elected by the common people of the land.

He insisted that the dominion-provincial conference must continue when Prime Minister Mackenzie King scuttled the meeting. He has repeatedly asked Prime Minister King to reconvene the conference but without success.

According to the sessional paper from the Department of Finance, under date of April 26, 1948, for the first full year's operation of the dominion-provincial tax rental agreements ending March 31, 1948—

British Columbia gave to the dominion taxing field $144 million (round figures) and received $20 million—seven to one.

Alberta gave $47 million and received $13 million—three and one-half to one.

Saskatchewan gave $33 million and received $13 million—two and one-half to one.

Manitoba, my own province, gave $64 million and received $12 million—five to one.

New Brunswick gave $23 million and received $7 million—three to one.

Nova Scotia gave $29 million and received $10 million—three to one.

Prince Edward Island gave $2 million and received $1½ million.

As a result of the dominion-provincial taxing agreement, British Columbia found it necessary to impose provincial sales tax, while Ontario was showing a surplus of $25 million. On the basis of these figures this has not been a good deal for the provinces.

I followed every minute of the conference proceedings and according to the record of May 3, 1946, when the dominion government was standing rigidly by a take-it-or-leave-it line of its own Mr. Drew said "Ontario's attitude is not one of 'take our offer or leave it'." Later on, Mr. Drew said—"Decide how long it will take to revise your position in the light of the clearly stated position of the provinces, then call us together to consider a transitional tax agreement."

At another point in the conference he said—"The concern of each of us is to find the highest possible standard of life for every Canadian." He then went on to say—"Our proposals are made in the belief that they should be equally acceptable in every part of Canada and are in no instance put forward with the thought of giving any special advantage to those who live in the province of Ontario." "Ontario has said, and said very emphatically, that it recognizes certain advantages it possesses and that it is not only willing, it is insistent upon combining with the other provinces of Canada to share any advantages it possesses."

Premier Angus Macdonald of Nova Scotia suggested that the conference adjourn to meet at a later date.

The then Minister of Finance (Mr. Ilsley), moved that it adjourn sine die and Prime Minister King, who was chairman, promptly put the question and declared it carried.

On many occasions since Mr. Drew and Mr. Macdonald have urged that the conference be reconvened. The dominion government has never done so.

This is not a time for sectionalism. We must have a united Canada and the federal state must be preserved.

I believe that the leadership in progressive legislation for Ontario during the past few years can, to a large extent, be duplicated across Canada by the leadership and vision of this man.

He is one of the greatest Conservatives of the day. Conservatism means "loyalty to persons," that is, loyalty to human brotherhood, loyalty to the proposition that the dignity of man and his happiness are more precious things than the power or the dignity of a state.

[Mr. Ross (Souris).]

Canada now requires greater leadership. This man, with a national and international reputation has proven his administrative and leadership ability. Canada must have Drew as leader.

Friends, for your most earnest and serious consideration I place in nomination for the leadership of the Progressive Conservative party of Canada, the name of my friend and comrade, George Drew.

I ask the house to compare that detail with the reported speech of the Minister of Justice Mr. Garson) in those three daily papers. I have before me the dominion and provincial submissions and the plenary conference discussions in 1945 and 1946. Let me first of all refer to page 113 of the dominion tax proposals, where it states:

The dominion government proposes that after the war the provincial governments should by agreement forgo the imposition of personal income taxes, corporation taxes and succession duties, leaving the dominion government the full and exclusive access to these revenue sources. The dominion government further proposes that as a condition of such agreement the dominion should substantially expand its present payments to the provincial governments under an arrangement which would ensure stable revenues and provide for their growth in proportion to increases in population and per capita national production.

And then at page 129, the Manitoba government presentation is as follows:

Hon. Stuart S. Garson (Premier of Manitoba): Mr. Chairman and fellow provincial premiers and delegates, like the premier of New Brunswick, I want to say that I am in agreement with the statesmanlike utterances made by the premiers of Ontario and Quebec with regard to the necessity of a non-partisan approach to this problem of the value of discussing in committee the proposals which have been brought out at the plenary sessions of the conference. However, I differ from them in one respect. I have not understood from the course of events during the past eight years that we were to come here merely to consider dominion proposals. We understood, rightly or wrongly that we were being invited to present proposals of our own. The proposals which I intend to make this afternoon are not in any sense counter-proposals. They are proposals that were prepared before we had any idea as to what the dominion proposals were going to be.

And then at page 323, again quoting the premier of Manitoba (Mr. Garson):

There should be one system of national old age pensions.

The dominion proposals regarding old age pensions envisage a dual system of administration. One system would be administered and paid for by the dominion government itself, providing pensions of $30 per month beginning at age 70 without means test. The other would provide payment of old age assistance for ages 65 to 69, subject to a means test and would be administered and paid for by the provinces and municipalities, with the dominion contributing one-half of the cost. The Manitoba government contends that the dominion government, having recognized its responsibility for the payment of old age pensions without means test to persons of 70 years and upwards, should provide old age pensions without means test below 70 as well. We contend that for two old age pension systems to be operating at the same time, one administered wholly by the dominion government without means test, and the other administered by the municipalities and provinces subject to a means

test, would surely create friction and misunderstanding, and would require, at large expense, duplicate administrative machinery in both the federal and provincial fields. In our view it is much preferable to have one system administered and paid for by the federal government, even although this may involve adjustments in other fields.

Then, at page 391 the present leader of the opposition (Mr. Drew) is reported to have said:

The main purpose of the dominion-provincial conference (1945) is to place the dominion and the provincial governments in the best possible position to use their combined powers for the most effective advancement of the welfare of the people of Canada and the strength of one national economy.

And further down on the page:

These principles are stated at the outset so that it may be clearly understood that our proposals are made in the belief that they should be equally acceptable in every part of Canada and are in no instance put forward with the thought of giving any special advantage to those who live in Ontario.

And again at page 394 the leader of the opposition said:

I am very glad to see in the statement read by the Prime Minister of Canada this morning that the suggestion is made that the co-ordinating committee should continue to sit at least once every six months. As may be recalled, that was the suggestion of the province of Ontario. I am not boasting of that fact, it is a simple matter of record. It is also a matter of record that the motion to set up the co-ordinating committee was a motion of the province of Ontario. Therefore the combined results of these discussions which are now showing form in these suggestions, which do bring us close together, have come from contributions made by all the representatives of all the governments. I say most emphatically that everyone sitting around this table has contributed some substantial part to the advancement of these proceedings to this point.

And again at page 397, the leader of the opposition:

The Ontario government is still of the opinion that the proposals put forward in its printed brief, and submitted to this conference, do offer a satisfactory basis for a temporary agreement, combining the full legislative, administrative and taxing powers of the dominion and the provincial governments in such a way as to produce the best results for all the people of Canada.

And again at page 425, the Minister of Justice (Mr. Garson) said:

Now, sir, the Manitoba government is fully in favour of concluding an agreement based upon the dominion's proposals, modified in the manner I have suggested, not because they meet the views of the Manitoba government in every particular, but because of the two alternative courses of action to which our choice now is limited. In our judgment the conclusion of such an agreement would be a much better choice both for Canada and for Manitoba.

And then at page 509 the premier of Nova Scotia, Mr. Macdonald,—and this is a reference which no one has ever read in the Winnipeg *Free Press*—

Let me ask you, Mr. Chairman, and the delegates here, whether they represent the dominion government or the provinces, let me ask anyone who is within sound of my voice, let me ask that greater body to which we as public servants are all accountable, the citizens of our provinces, or of Canada, let me ask any of those people whether they think that it is a fair or honourable or dignified position in which to place the provinces in this dominion. Provincial autonomy will be gone. Provincial independence will vanish. Provincial dignity will disappear. Provincial governments will become mere annuitants of Ottawa. Provincial public life—and I do not think these words are too strong—will be debased and degraded. I cannot think that such a state of affairs is desired by the representatives of the government of Canada here today, my one-time colleagues. I am sure that they have no wish or desire to see such a state of affairs come to pass in this country, nor can I believe that such a state of affairs is desired by the people of this country.

And then Mr. Manning, at page 535—and I have not read this in the Winnipeg *Free Press*, either:

Mr. Manning: Mr. Prime Minister and gentlemen, this is an occasion which obviously calls for plain speaking and a frank expression of our reaction to the address delivered this morning by the Minister of Finance. Mr. Ilsley's comprehensive address might well have been reduced to one simple word of two letters: No! For that reason his statement conveyed much more than just an unsatisfactory negative answer to the considered opinions expressed around this conference table by the provincial premiers. It conveyed an attitude of uncompromising rigidity on the part of the dominion government that is indefensible in the light of the circumstances as they are.

Then Mr. Manning is reported again on page 538 as follows:

Now, Mr. Prime Minister, I cite these facts not in a spirit of bitterness, but rather for the sole purpose of emphasizing the attitude of uncompromising rigidity which the dominion government has adopted in this matter.

And again:

I am forced to say this after listening to the reply of the Minister of Finance to the submissions of the provincial premiers that, if this conference fails, and I sincerely hope that even yet it will not fail—but if this conference fails, the responsibility for its failure will rest squarely on the doorstep of the dominion government and will be due to the attitude of uncompromising rigidity expressed on behalf of the government by the Minister of Finance this morning.

Then as to the apparent reason for the real charge made by the Minister of Justice I should like to quote Mr. Ilsley from page 624, the final page, as follows:

As the Prime Minister reminds me, I must proceed at once with the preparation of the budget. It is not possible for me to wait until an agreement is reached, and I will have to prepare the budget in the light of the fact that no agreement has been reached. In the meantime my suggestion is that we should adjourn sine die, and that the government take into consideration the points of view that have been expressed here today, and then arrive at a decision as to the procedure to follow and the position to take.

Mr. Macdonald: Mr. Chairman, I take it that Mr. Ilsley is not suggesting that there will not be another conference. The premier of Quebec who is not here said he would come back at any time.

I would hope that the representatives of the dominion government here stand in the same position, and are prepared to try it.

Mr. Mackenzie King: Gentlemen, it has been moved that the conference adjourn sine die. All those in favour of the motion will please say "aye."

Some premiers: Aye.

I was sitting in the gallery and had watched the little whispering campaign between the then Prime Minister and Mr. Ilsley before he rose. I do not think I am wrong when I say that the Prime Minister scuttled the conference and it certainly has not been called since. Let me go on to deal with the charges made by the former premier of Manitoba. I happened to attend a municipal gathering last fall and I listened to a discourse by a very able gentleman, the Hon. William Morton, municipal commissioner. In his address to the delegates attending the forty-fifth annual meeting of the union of Manitoba municipalities Mr. Morton outlined the reasons why their taxes had had to be raised and he reviewed the financial position of the municipalities and referred to the financial assistance which they had received as a result of the dominion-provincial agreement in 1947 amounting to some $2,750,000. He went on to refer to their revenue deficits of nearly $3,000,000 and he stated that the municipalities were some $3,000,000 poorer in realizable assets than they were at the beginning of 1945. At that time he had the figures only up to the fall of 1948 and for 1947. He stated that only 73 municipalities had operated on a cash basis in 1947, the lowest in the past twelve years. Actually there was an operating cash loss of over $600,000.

That speech certainly was not in keeping with the story the premier had left with them. I was rather surprised to hear the Prime Minister (Mr. St. Laurent) make the following statement on Friday evening. I intend to quote the whole paragraph so that he cannot accuse me of doing what he has accused others of doing. He said, as reported at page 60 of *Hansard*:

Before doing that, however, I want to say to the leader of the opposition that there are many of the things he said in his speech concerning dominion-provincial relations, and concerning the constitution of Canada, and its principles, with which I am in entire agreement. And if there was any hope anywhere that an issue could be created upon that, then I am sorry that we shall have to disappoint those who may have entertained such hopes.

I sincerely trust that the new Minister of Justice (Mr. Garson) and the Winnipeg *Free Press* will give as much publicity to the statement of the Prime Minister as they have given on many other occasions to different phases of the dominion-provincial agreement, some of which were not in keeping with the printed record.

I said also at that municipal convention that the former premier of Manitoba and his government had agreed to a much less advantageous deal than they now have with the province of Manitoba. I said that they could thank Premier McNair of New Brunswick, who had bettered the arrangement for his province on the basis of what had been given to British Columbia.

The Minister of Justice took advantage of every opportunity to pose in Manitoba as an expert on dominion-provincial taxation matters, but we certainly owe thanks to Premier McNair of New Brunswick for the present deal we have. I should like the municipal officials of Manitoba to compare the particular submissions made to the conference in 1946 with the old age pension proposals that he made to them during the fall of 1948 when he offered to split an increase up to an additional $10, thus adding another tax burden to real estate and making the municipal officials responsible for administration.

Of course he did not tell them that he was leaving the premiership of Manitoba and going to Ottawa. The old age pensioners throughout this country certainly require more than the allowance they are now getting in order to live. There is no argument anywhere about that. I remember during the last session of parliament the hon. member for Comox-Alberni (Mr. Gibson) placed on the record an editorial from the Vancouver *Sun*. This will be found on page 4307 of *Hansard*. The editorial was headed, "Hello Sucker!" and went on to show what British Columbia was getting from the dominion government.

I think everyone knows that the Vancouver *Sun* is not a friend of the official opposition. If, as this editorial in this Liberal paper in Vancouver says, British Columbia has been sucker No. 1, Manitoba qualifies as sucker No. 2 under the arrangement.

It will be remembered that the Minister of Justice nominated the right hon. Prime Minister for leadership last summer. That was his prerogative. But according to newspaper reports he is very resentful of the fact that I, a humble member from Manitoba, should have nominated the present leader of the opposition as leader of the Progressive Conservative party. I am one, among many, who is quite sure that he will be Prime Minister once the public have an opportunity at the polls. I think this is sufficient for that subject. I think the *Hansard* record of the conference will show what happened then.

I should like to refer to the first press report of the Minister of Justice's campaign in Marquette. It is rather odd considering that he was only a few days away from his

position as head of the coalition government of Manitoba. The article reads:

It was possible, he admitted, to foresee the defeat of the party at the next general election but it was not possible to see any other party being capable of forming a government. The only alternative would be some sort of weak nondescript coalition.

I am sure that his colleagues whom he had left a few days ago in Winnipeg appreciated that statement. Here is another report headed "Garson Outlines Liberal Policies" and reading:

The lifting of the embargo on cattle shipments to the United States had meant, in the few short months since it had occurred, that $65 million worth of cattle and meat products has gone across the border.

"Think what this means in terms of income business for western Canada," Mr. Garson said.

"Can any sensible person believe that another government more than likely composed of a coalition could equal or better this record," he continued.

It is rather odd, you know, that he never reminded his electors that this same Canadian government had imposed controls and embargoes in 1942 and the following years up to date which have cost the agricultural producers of the prairie provinces in the neighbourhood of $2,000 million. He neglected to remind them that it is the same government.

In that respect I want to refer again to the Searle index of December 1, 1948, with reference to the British-Canadian wheat agreement.

Between now and December 31 prices have to be set for the sale of Canadian wheat to Great Britain, all according to a clause contained in the British-Canadian wheat agreement. As we have frequently shown in these columns, the losses for the first two years on the wheat supplied to Britain amounted to $352 million. There was a further loss of $170 million on the wheat farmers supplied for Canadian domestic consumption.

A clause in the agreement says as follows:

"In determining the prices for these two crop years, 1948-49 and 1949-50, the United Kingdom government will have regard to any difference between the prices paid under this agreement in 1946-47 and 1947-48 crop years and the world prices for wheat in the 1946-47 and 1947-48 crop years."

This paragraph has been explained by those who support the agreement to mean that in the third and fourth year Britain would add such an additional price to the world price as would recompense our farmers for the losses they may have sustained during the first two years. We were assured our farmers would lose nothing by the agreement.

The price for the third year was set at $2. But far from making up for any losses sustained during the first two years, this price of $2 merely added further to the losses, because for the first three months, namely August, September and October of this third year, the average price for Canadian Class 2 wheat set by the wheat board, and sold on world markets, and which is therefore the world price for Canadian wheat, has been $2.38, making a further loss for these three months on wheat supplied to Britain of $33 million so far, and it will most probably be more by August 1 next, the end of this crop year. The price for the fourth year of the agreement, then, to make up for these gigantic losses, would have to be over $5 a bushel.

I recollect that the minister was asked his opinion on that matter also, but as I read his answer even at this late date he is still giving the matter consideration. I have contended at every session that this is altogether too great a contribution to ask one class of people in Canada to make for the consumers of Great Britain and of Canada.

There was some discussion this afternoon about communism in this country. It is rather strange that in all the newspapers of the country in the year 1945 the Labour Progressive people, who were recognized as the communists, were asking their followers to support the Liberals in the pending election. I well remember the advertising, particularly that in the Grey North election. Now they have switched their allegiance and they are asking their followers to support the C.C.F.

Mr. Knowles: They have changed their line again.

Mr. Ross (Souris): That is my latest information. Then we have the peculiar coincidence that whenever the government seems to be getting into a jam in the House of Commons, the leader of the C.C.F. party (Mr. Coldwell) brings in his group to support the government, although professing to stand for their own principles.

Mr. Knowles: Nonsense.

Mr. Graydon: That is not quite nonsense.

Mr. Ross (Souris): I should like to warn the people of this country that it can happen in this Canada of ours, and that they should not take things for granted. It can very easily happen. To have a real working democracy we must have free enterprise on the one side of the scale balanced by human welfare on the other. Then we will have a real democracy. I will have much more to say on agricultural matters, old age pensions, veterans' allowances, and veterans' problems when the opportunity presents itself.

Mr. L. J. Raymond (Wright): Mr. Speaker, I do not think it has ever been a very comfortable situation for a backbencher to be the first one on this side of the house to rise in his seat after the leaders of the different political groups have spoken. Perhaps I might take advantage of the situation to compliment the distinguished members who have spoken prior to myself, and in some way to pay tribute to their speeches. Limiting myself to the leaders of the political groups in this house, although I think none of them are here at the present time, I wish to say that a good speech is nothing new when the hon. member for Peace River (Mr. Low) or the hon. member for Rosetown-Biggar (Mr. Coldwell) has the floor. Although I do not share their opinions, I wish to say that I have

always listened to them with great interest since I came to this house in 1945.

The hon. leader of the opposition (Mr. Drew) is a newcomer here. I confess he was more or less a curiosity to me. I think it would be unfair not to say that he delivered his speech well, and also that I listened to him with great interest. It is not for me at the present time to appraise the contents of his speech and to comment on it, since that has been done, and quite thoroughly, by the right hon. the Prime Minister (Mr. St. Laurent) last Friday and this afternoon in one of the best speeches I have ever heard here or elsewhere.

In a humble way I wish to congratulate the right hon. the Prime Minister on his most excellent speech, a speech which made me proud to serve the good cause under so great a Canadian, just as I was proud to serve such a cause before under the leadership of another great Canadian, the right hon. the member for Glengarry (Mr. Mackenzie King), for whom I have always had and still have great respect and admiration. The words uttered by the right hon. the Prime Minister in his speech last Friday have made a deep impression upon the Canadian people, and those he uttered this afternoon will undoubtedly make a great impression on them also, but perhaps none more than those relating to the problem of peace which is dominant today in this country and elsewhere in the world.

I do not think that I have been singled out particularly by certain persons and organizations to be sent communications demanding that, as a member of parliament, I request that this house declare itself neutral with regard to war, and further that I commit myself concerning such neutrality.

As it is quite unlikely, Mr. Speaker, I shall have another opportunity to put myself on record in this regard, I now wish to set out clearly my personal feelings concerning the participation of Canada in any future war.

Before doing so, however, it is a pleasure for me to join with those who have spoken before me in complimenting the mover and seconder of the address in reply to the speech from the throne on the splendid manner in which they carried out their allotted task. I have worked with the mover of the address for three years in the Indian affairs committee, of which he was the chairman. I have learned to know him as a courteous, hard-working gentleman. The excellence of his speech, therefore, did not surprise me.

In his maiden effort, the seconder of the address gave promise of becoming an acquisition to this house. I congratulate him on his election and wish him well in his future career among us.

I should like to take this opportunity of expressing my regret upon learning of the death of the hon. member for Wetaskiwin.

At the outset, Mr. Speaker, I wish it clearly understood it is not my intention to move that the parliament of Canada adopt neutrality as a guiding principle in any future war. I believe I am right when I say that all Canadians desire peace, and desire it sincerely. They do not agree among themselves on the best means of securing real peace in the world today.

In sober truth I feel that we should have the utmost hope in the final success of the united nations organization. Until that organization achieves its objective and succeeds in settling international disputes in a peaceful way, we must depend upon and embark upon urgent measures to ensure peace. In Canada, as well as in the rest of the world, the desire for peace seems to have misled some persons. Frightened by the mere thought of war and its horrible consequences to them and others, they have been led to believe that neutrality is the safeguard of the interests of this country.

In the event of the United States having to defend itself against attack by soviet Russia—may God forbid such a thing—those supporters of neutrality for Canada seem to believe that none of their interests will be endangered. They believe that merely an expression of their desire to isolate themselves will enable them to escape from this gigantic conflict. For them, Mr. Speaker, the matter at issue between the United States and soviet Russia seems to be purely one of economic order; nothing else is at stake. The United States and soviet Russia, according to them, are two international gangsters fighting for the economic supremacy of the world. It is their belief that we can let them fight and, even if soviet Russia wins, Canada will not be in any worse position.

In my opinion, Mr. Speaker, those Canadians are wrong. True, the western democracies on one side, especially the United States, and soviet Russia and her satellites on the other side, are economic rivals. There is nothing very surprising about that, because there is nothing perfect on earth. In the life of nations as well as in that of individuals, good and evil are mixed. Purity of purpose is sometimes absent from the one as it is from the other. Whatever intentions the leaders of those two groups of nations may have, whatever they may think or say, I have no doubt whatever there is something else at stake than mere economic supremacy. I believe there is something more at stake than

the capitalist system of the western democracies with all its defects and imperfections.

Mr. Speaker, what did the Russians say to the Poles, the Roumanians, the Yugoslavs, Hungarians and Czechoslovaks to rally them to their cause? The Russians tried to make these people believe that the defects and imperfections of the capitalist system and of the democratic regime were the only things at stake. According to the Russian story, the aim was to free these people from what the Russians called American imperialism and an out-dated democratic regime. The communists of Poland, Hungary, Roumania, Yugoslavia and Czechoslovakia succeeded in reaching their goal. They had to fight against the so-called American imperialism. They did and they won. These communists had to destroy what they called an obsolete democratic regime. They did and again they succeeded.

The important point, Mr. Speaker, is this: with what have they replaced it? They have established an atheistic and materialistic dictatorship which denies the rights of the human person and of religion. Today, the communists attack the fundamental freedoms of the human person and the church of Christ. In those countries, by all the means at their disposal, they seek to abolish religion; to take over schools and to make the human being a materialistic part of an omnipotent and oppressive state.

The recent arrest of His Eminence Cardinal Mindszenty, primate of Hungary, by the government at Budapest, is a striking demonstration of what I have just said. The cause of this prince of the church is the cause of human rights for millions of persons living behind the iron curtain. Cardinal Mindszenty was arrested because he dared to defend the rights of the human person and the right of religion. The Hungarian communists are making tremendous efforts to make the world believe he is a traitor. This Christian hero had the courage to defend such rights; that was his only guilt.

Incidentally, Mr. Speaker, I wish to put on record my personal protest, the protest of my constituents, and, I trust, the protest of the Canadian people, against the crime of which the government of Hungary is guilty.

What is taking place behind the iron curtain proves that, independently of the official intentions of the governments, there is in the dispute between soviet Russia and the western democracies something else at stake than the so-called American imperialism and the defects of the western democratic system. This something else is the fundamental freedoms of the human person, those of the church, and the rights of God.

May I remark here that at the last general election in Italy the Italian people, despite the appeals of the communists, against the so-called American imperialism and the defects of western democracy, would have had the same fate as those in Czechoslovakia and other countries and would today be behind the iron curtain had they not realized that what was really at stake was the fundamental freedoms of man and the rights of the church and of God. Let us not be mistaken, Mr. Speaker; the fate which the countries behind the iron curtain have suffered, one after the other, is a prefiguration, if I may use that word, of what will happen to France if ever the communists succeed in assuming power there. It is also the same fate to which the United States, Canada, Belgium, England, Holland, Scandinavia, Spain and Portugal will have to submit if ever Russia opens war against the United States and if the western democracies lose.

(Translation):

Mr. Speaker, I am pleased to find that the majority of Canadians understand the true meaning of the conflict between soviet Russia and the western democracies. It is unfortunate however that a small number of Canadians, through misunderstanding of the facts, play into the hands of the communists. They apparently fail to understand that in the present disagreement the common heritage of humanity itself is at stake.

The attitude of this minority is further complicated by the fact that, inspired by false humanitarian ideals, it proclaims the immorality of all wars, because of the complexion of modern warfare. Displaying an inconsistency which I fail to understand, some of these people, although claiming all wars to be immoral in character, stand prepared, or so they claim, to defend their country should it be attacked. If modern warfare is immoral, I do not see how those people can take up arms to defend their country, should it be attacked, because even then the end does not justify the means. If they consider that modern warfare is immoral in character, they cannot do what they believe is immoral, even in the defence of their country.

Another section of the same group is more logical in its errors. From the false premise that modern warfare is immoral, they contend that under no circumstances can we resort to war. They make no distinction between aggressive and purely defensive warfare. According to them, in the last analysis, all modern wars are aggressive in character and, as such, both immoral and unjust.

The results of such an attitude, Mr. Speaker, are obvious:

Should a nation obviously be the victim of unfair aggression, those who claim that all modern warfare is immoral would not even lift a finger to defend it.

If their country is drawn into war, a goodly number of them will inevitably become conscientious objectors.

Moreover, should an aggressor launch an unfair attack against their own land, some of them will even refuse to fight for it, just like this individual who told me, only a few days ago, that if the Russians wage war on Canada, one might as well let them set up a government in Ottawa: that is treasonable language.

In this respect, Canadians should read and, might I add, ponder the wonderful address delivered on Christmas Eve by His Holiness Pope Pius XII on Christianity's determination to maintain peace. There is no higher authority in the world than that. This address outlines the right attitude of Christians on the problem of peace.

While on the subject of His Holiness the Pope, may I remind the house that, for three years or more, several members of this house have asked the government to appoint a representative or an ambassador to the Vatican. May I, in this connection, insist upon such an appointment and hope it will materialize one day or another, and as soon as possible.

His Holiness censures those who believe in the ancient Roman saying: *si vis pacem, para bellum,* but also condemns the advocates of peace at any price or those whose actions will surely lead to war, unbeknownst to them.

The Pope draws a distinction between a war of aggression and a purely defensive war; the former, he rightfully condemns.

> Any war of aggression, says he, is a sin, a crime, an outrage against the majesty of God and the Designer of creation.

He recognizes, however, that a purely defensive war may become a necessity and an obligation.

> A nation threatened with unjust aggression or which has already fallen victim to such an aggression cannot passively remain indifferent, if it is to think and act as it must.

Further on he adds:

> . . . in order to determine, in the final analysis, whether it is normally permitted or even, in certain real circumstances, binding (as long as there exists a strong probability of success) to repulse an aggressor by force of arms, there is little use in considering only the tragedies and ills resulting from war or in attempting to determine, by close analysis, whether it is advantageous to intervene.
>
> There is however one thing that is certain. The obligation to keep peace is a divine command whose aim is the protection of the goods of mankind, inasmuch as these are gifts of the Creator. Among these some are of such importance to society that it is perfectly legitimate to defend them against unjust aggression.

These words, Mr. Speaker, seem to constitute a condemnation of those in our midst who hold that any modern war is immoral and of those who pretend that if Russia were to attack Canada, it would be just as well to allow the Russians to set up a government at Ottawa.

Furthermore a nation is not only compelled to defend itself when unjustly attacked, but it has a duty towards another nation unjustly attacked.

> . . . and all the more, said the Pope, should the interdependence of the family of nations forbid others to act as mere spectators in neutral apathy. Who could ever estimate the extent of the wrong done in the past by such indifference to a war of aggression, which is entirely foreign to the Christian spirit.

Referring to the possessions which one must defend against unjust aggression, he added further on:

> Their defence is even compulsory for the community of nations whose duty it is not to abandon a nation being attacked.

According to His Holiness, such indifference only serves to strengthen and encourage the perpetrators and fomenters of aggression while it compels the numerous nations which are left to themselves to ever increase their armaments. . .

> Such a view, under a disguise which is hedonistic and utilitarian, as well as materialistic in its source, continues His Holiness, is erroneous through not being founded on a strict general obligation. It brings about conditions which enhance the disillusion resulting from that sterile compromise; the attempt of everyone to save himself at the expense of others, which in each case is a guarantee of success for the aggressor.

To my mind, Mr. Speaker, that is a condemnation of those who, in this country, in advocating neutrality at all costs, thus reject, in practice, the principle and the obligations of international solidarity in the case of a nation unjustly attacked. It is also what I deem to be a condemnation of those who, in attempting to save themselves at the expense of others, ensure the success of an aggressor. It is moreover a condemnation of those who, in Canada, believe that their country has towards the international community no duty but that of protecting its own territory in case of invasion.

The Pope also says, with reference to the obligation which the community of nations has not to abandon an unjustly attacked nation:

> The certainty that such a duty will be fulfilled will serve to discourage an aggressor, and thus war can be avoided, or should the worse happen, its sufferings will at least be lessened.

Finally, Mr. Speaker, we find there what is, to my mind, the condemnation of those who, in our midst, reject the very principle of a collective defence pact against a war of aggression or who wrongly claim that they

will thereby better succeed in avoiding any conflict and in serving the cause of true peace.

My only wish, Mr. Speaker, is that the few foregoing considerations will open the eyes of some Canadians who are led astray by false ideologies. As much as anyone else, I am all for peace, for peace based on right and Christian justice. I am in favour of it for myself, for all those who are dear to me, for all Canadians and for the whole world, but in order to obtain it, one must first have a clear notion of the duties of nations and of the nature of the present conflict which divides soviet Russia and the western democracies. This is why, most humbly perhaps but most sincerely, I wanted to set forth these considerations at the very beginning of the present session.

(Text):

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, this afternoon the hon. member for Rosetown-Biggar (Mr. Coldwell) undertook to compliment the mover and seconder of the address in reply to the speech from the throne, so it is not necessary for me to do so.

Sitting here listening to this debate I thought the tone set by the leader of the opposition (Mr. Drew) was rather unfortunate, and that it was also unfortunate that most of the time thus far has been spent in discussing this matter of dominion-provincial relations, who broke it down, who was responsible for it, and so on, something which I think has been settled in the public mind for some considerable time. We have been hearing that kind of debate when we should have been discussing the forecast of legislation, or the lack of it, contained in the throne speech.

I was rather surprised to hear the hon. member for Souris (Mr. Ross) arguing with the present Minister of Justice (Mr. Garson), who only a short time ago led a coalition government in Manitoba. I could not understand why a Conservative in this house should argue with his former premier, who had his arms around the Conservative party in Manitoba for a considerable time. I must have a private conversation with the hon. member to find out just how that came about. It must be a private war; certainly it cannot be a political war, judging by the marriage that has been in effect there for a considerable period.

It has been suggested by hon. members to my right that the C.C.F. is just another adjunct of the Liberal party. What the Conservatives cannot understand is that the C.C.F. is a free party. If the Tories are right—though they never are—we can vote for them. When we think the Liberals are right, we can vote for them. Now I want to take just about five minutes of the time of this house to prove that, as far as the Conservative and Liberal parties are concerned, fundamentally there is no difference. They both stand for the same thing. They both believe in the system of free enterprise.

Mr. Graydon: So does Tom Bentley.

Mr. Gillis: They quibble about matters such as dominion-provincial relations; but let me remind the hon. member for Peel (Mr. Graydon) of just a few points of agreement between those two parties which I have noticed in this house since the termination of the war. During the war, controls were set up, materials were allocated, and the economy was partially planned. Let us see how many points the Conservatives and Liberals have in common. The first break in the planning of the economy was the increase in basic steel, farm machinery and so forth. The C.C.F. alone fought that increase in this house; the Conservatives and Liberals agreed to it. That was the first break in the economy which started off the inflationary spiral. That was free enterprise, and you wanted to get it back. Then you took off the price ceilings and charged what the traffic would bear. Both Conservatives and Liberals agreed that the ceilings should come off prices, that the law of supply and demand should regulate the economy. Then they agreed on the removal of subsidies; free enterprise again. Both Liberals and Conservatives agreed that subsidies should be taken off. The C.C.F. stood here alone—

Mr. Graydon: No; the communists were with you.

Mr. Gillis: —and argued for the maintenance of that planning of our economy, the use of subsidies and the control of prices in order to protect the Canadian people. So you see there is no disagreement between those who believe in the system of free enterprise, because those are the mechanics of free enterprise. Then the offices of the wartime prices and trade board were to be closed. We protested. We pleaded with the minister to maintain those offices across the country, because in them he had very good machinery he could use if prices began to get out of hand. Our friends to my right demanded

that they be closed. They said, "Close these offices. They are staffed with bureaucrats; they are wrecking the country. We want Canada Packers to have the right to wreck it." So these offices were closed; again we had agreement between the government and the Conservative party.

Then there was the matter of the excess profits tax. We figured that tax should be maintained and that the revenue should be used to establish an over-all social security plan for this country; that the money should be plowed back in order to relieve misery, and used to hold down prices by means of subsidies on essential commodities. But our friends over here demanded that the excess profits tax be removed; the government acquiesced, and off it came.

In the matter of freight rates the same thing applied; both parties agreed that freight rates should be increased. I am just showing some of the points on which hon. gentlemen to my right have been absolutely in agreement with the government. Of course that is understandable; it is all free enterprise, so why the sham battle on dominion-provincial relations? In the increased freight rates the Canadian public take it on the chin; but again those are the mechanics of free enterprise, so away she goes. Commercial rents were doubled; no protest from the Conservative party there. Then they said, "Put oats and barley back on the grain exchange." Back they went on the grain exchange—the mechanics of free enterprise again. The two old machines believe in that system; and still they try to kid the people that there is really a fight between them.

Mr. Graydon: Just like you and the communists.

Mr. Gillis: Capital investment is uncontrolled; monopolies are unchecked. There was an 11-cent per pound increase in butter, with Canada Packers holding butter in storage. That was proven to the prices committee—and I did not hear anyone on this side of the house to my right, or anyone on that side, protesting against it. The protest came from the C.C.F.

So if the hon. member for Peel (Mr. Graydon) would examine the record tomorrow he would find that fundamentally there is absolutely no disagreement between himself and the Liberal party—absolutely none. He believes in the freest of free enterprise. He took off every control which protected the Canadian people—and I am saying this tonight only because of some of the statements made from that corner of the house to the effect that the C.C.F. is just part of the Liberal party.

All these controls I have mentioned we have sought to maintain, for the protection of the Canadian people; yet both the government and the Progressive Conservative party agreed they should come off.

With that brief digression I shall return to a discussion of the speech from the throne. The hon. member for Rosetown-Biggar (Mr. Coldwell) presented an amendment to the house, and in that amendment suggested orderly marketing, stating that the government should set up machinery by way of import-export boards to market our commodities not only internally but externally.

While he was offering his amendment and making his argument in support of it, I was thinking particularly about our export trade, and our shipments overseas. I was thinking about the grave mistake we made in scrapping the merchant marine we had built up during the war. Today it is practically scrapped.

Canada exports about one-third of her total production. If there is any nation in the world which should maintain a strong and powerful merchant marine, then surely it is the Dominion of Canada. As we develop we are going to export more.

I have before me some figures which, because they surprise me, I shall put on the record. These figures come from the Canadian shipbuilding and ship repair association. I noticed in the speech from the throne a paragraph stating that the government is going to give assistance to the shipbuilding industry to build more ships. What I cannot understand is why we did not keep the ships we built during the war, and why we allowed crews consisting of thousands of men from the prairies and from the woods who trained themselves during the war as seamen—and very excellent seamen—to drift out of the industry we had built up. As I say, these figures surprised me. Our sea-borne exports in 1947 aggregated 18,001,435 tons. Of this amount Canadian ships carried only 19·9 per cent of the total, while the United Kingdom ships carried 43·5 per cent, United States ships carried 21 per cent and ships of other registry 15·6 per cent.

Canadian sea-borne imports in 1947 aggregated 9,836,283 tons, of which Canadian ships carried only 27·9 per cent, United States ships 45·9 per cent, United Kingdom ships 7·3 per cent and ships of other registry 18·9 per cent.

These figures are somewhat revealing. Just merchant seamen. They asked me to enter a before coming to this session I had a meeting in my section of the country with a group of protest with the Minister of Transport (Mr. Chevrier)—which I have already done—against the fact that Canadian shipowners

were selling their ships either to Great Britain or to Greece, that Canadian seamen were being beached, and that these ships were not only taking our overseas trade from us but were also operating from port to port along the Canadian coast, thereby depriving us of our coastal trade.

That group told me that ships belonging to Dosco and another company were being sold, and that at least a thousand seamen living in that part of the country would be beached within the next two months because those boats were being sold, would be flying another flag and taking our coastal trade. Let me say that is something that is not allowed by any other country.

Great Britain has a section in her shipping act which prohibits such a procedure. No foreign ship is allowed to ply from port to port in the United Kingdom. The United States also has in its shipping act a provision which prohibits that kind of thing over there. We should have an amendment to our act which would prevent ships of foreign registry taking the coastal trade from us.

Mr. Hackett: Does it not contain that provision?

Mr. Gillis: No, it does not.

Mr. Stuart (Charlotte): Can you name a foreign ship in Canadian waters trading between two Canadian ports?

Mr. Gillis: I can name a dozen.

Mr. Hackett: Has the hon. member looked up the statute recently?

Mr. Gillis: I was talking with the minister only a couple of days ago. I have in my office a brief provided by the Canadian seamen's union, which does a thorough research job on the shipping act. Their suggestion is that the act should be amended in the respect I have indicated. They say that when these ships are sold our own crews are taken off, that either Greek or British crews are put aboard, and that actually today they are running from port to port on the Canadian coast.

Mr. Hackett: Do they change registry?

Mr. Gillis: Yes.

Mr. Howe: They are not allowed to change registry.

Mr. Gillis: They are changing registry; and the reason for it is that the wage rates paid by the Canadian companies are much higher than those paid by the Greek and British companies. Therefore it is to the advantage of the Canadian company taking a commodity from Sydney to Montreal, for instance, to sell the boat, get a lower wage rate, ship in that way and cheapen the ship. That is becoming a serious condition.

Mr. Howe: I think my hon. friend is mistaken in his facts. In the first place, the ships were sold under the proviso that they could not be sailed without the Canadian flag; and if they do not carry the Canadian flag or the British flag they are not allowed to operate in the coastwise trade.

Mr. Gillis: I am not disputing what the minister says as to the intention; but that is not what is happening. The Minister of Transport is now checking the matter, because I discussed it with him since the session opened.

In addition to that, a bad situation is developing in that industry. I am suggesting that this country should build a merchant marine, and we should endeavour to keep the services of those men who were trained during the war to operate our ships not only along our coasts but on the seas. Because we should be concerned, not only about our coastal trade, but about taking that one-third of production which we export and hauling it in Canadian bottoms. Our imports should be coming back in our own ships.

I have placed these figures on the record; and if the minister thinks that in my presentation of the situation with respect to our coastal trade I am in error, then I would suggest that he talk with the Minister of Transport, and that he read the brief sent in by the Canadian seamen's union.

I have talked with the boys who are actually affected. In one instance they were taking a ship from Sydney to Halifax and passing it over to another crew. Those boys were going on the beach, themselves, and the crew taking over was not a Canadian crew.

Then, in the speech from the throne there is a suggestion of assistance to the steel industry on a fifty-fifty basis, for the purpose of expanding that industry. According to the statement by the minister, the companies have been asked to submit their plans and to take advantage of this offer, but that the only request received has been from the Steel Company of Canada. There is a statement in the press to that effect. I hope Dosco will take advantage of it because in my opinion that basic steel plant could be expanded considerably. I was just wondering if anything has been done about it.

For a few minutes I should like to focus the attention of the minister on this matter of expanding industry. In doing this I think some regard should be had for the whole country instead of attempting to concentrate industry in one particular province. I have here the *Financial Post* of October 9, 1948, which gives details of the industrial expansion in Ontario from the beginning of the war up to the date of that issue.

The expansion of industry in Ontario has been something terrific. Recently we heard about a power shortage in this province and

everyone was blamed for it. In my opinion the industrial set-up in the province was expanded beyond the ability to supply it with power. There had been wrong planning in the allocation of industry in that province. The province simply did not have the power necessary to take care of the expansion in the industrial set-up.

I am going to give particulars of the step-up in production that has occurred in certain towns. In greater Toronto the population is up 9·3 per cent; production is up 142 per cent and employment is up by 72 per cent.

Mr. MacNicol: Over what years?

Mr. Gillis: Over 1939. Fort William: population is 32,000, up five per cent; production up 236 per cent; employment up 279 per cent. Windsor: population up 13 per cent; production up 129 per cent; employment up 63 per cent.

Mr. Howe: Give us Halifax.

Mr. Gillis: It is not here. Hamilton: population up 12 per cent; production up 130 per cent; employment up 60 per cent. They have the particulars here for 70 different cities in the province of Ontario.

Mr. Howe: The largest increase of all was in Halifax.

Mr. Gillis: I have not those figures here. Ottawa: population up 14 per cent; production up 76 per cent; employment up 33 per cent. I am not going to read all the figures into the record because I imagine hon. members have read them. If you are going to spend more government money or more money belonging to the taxpayers for the purpose of expanding industry in this country, I submit, what I have submitted time and time before, that first a survey should be made of our national resources and the possibilities of marketing our products. All these things should be gone into. If that had been done prior to the step-up indicated in Ontario by the *Financial Post*, I do not think there would have been a power shortage.

You can concentrate your population and your industrial set-up in one centre of the country just so long as your resources last. The time is coming when the east and west will not continue to supply the centre with raw materials and continue to live as the poorer relations by the sea. For example, the plant at Sydney is a basic steel plant producing about one-third of Canada's basic steel. I understand that under the steel control set-up today Dosco is not allowed to process its steel or to ship overseas. All that it can do under that control is to market its steel in Quebec and Ontario. In my opinion that is planning the wrong way.

[Mr. Gillis.]

I contend that the whole set-up down there was designed for the overseas trade. That is the natural market. As long as there is a steel shortage and we are faced with present conditions you can get away with the kind of thing you are doing, but it certainly is not making for prosperity in the maritimes. There are many resources down there that could be exploited. We should have a cement industry because all the ingredients are there and there is a terrific shortage right across the country. A tin plate industry should be established at Sydney and the steel that is made there should be processed and sold in the overseas market. I do not say that that can be done overnight, but there should be some planning in that direction. If you are going to lend money for shipbuilding you should not forget that there are in Nova Scotia yards that can turn out ships.

I suggest to the minister that this centralization of industry in one province, if continued, will wreck the country in 25 or 30 years. We should try to use the people and resources right across the country. It is wrong to have industrial concentration in central Canada and merely import people from the east and the west to operate that industry when they are needed, and when they are not needed send them back from whence they came.

There is another thought I want to leave with the Minister of Labour (Mr. Mitchell) although it is not mentioned in the speech from the throne. Last session of the house we passed a national labour code. That is national in name but it is not national in actual fact. We had a very sensible committee working last year on this code and they wrote into it the voluntary revocable check-off provision. Every province in Canada with the exception of Ontario has a provincial labour code containing a check-off provision. None of the provinces can accept the national labour code as it is without that check-off provision, because it would mean a long step backward. They have not that provision by law in the province of Ontario and none of the other provinces will relinquish that right.

The committee on industrial relations should be set up and should endeavour again to have the check-off provision written into the national labour code. It was done before, but unfortunately, when it came to the house, a private member moved that it be removed and that motion passed. We now have on our hands something that no province except Ontario can use. That province has already accepted it, but the other provinces have no check-off by law.

There is another matter I was rather surprised to see was not mentioned in the speech from the throne. If there is one thing this country requires, it is a national fuel policy. The extent to which we depend upon the United States for fuel is deplorable. We are not making any attempt to develop our own resources, even in a slow way. As I have pointed out on other occasions, coal is the largest single importation into this country. Something like $147 million was spent for United States coal last year, and that represents a lot of United States dollars.

There is a capable coal board with jurisdiction over the province but it does not appear to be doing very much about developing these resources, either in the east or in the west. The fuel industry in Nova Scotia is shrinking rather than expanding. It is entering a period of retrenchment. You cannot attempt any more mechanization in an industry that is as highly mechanized at the present time as it can be.

Mr. MacNicol: They could use the new machines they are using down in the southern United States.

Mr. Gillis: Not in these collieries. You have a completely different operation. In the United States they are not six miles out under the Atlantic ocean. They have not got the roof pressure that there is in the Nova Scotia mines. They do not have to install timbers so closely. They are trying those machines now in Nova Scotia. I was underground a couple of months ago and had a look at them. I wish them luck, but I know that eventually they will have to take that equipment out because it is not suitable for the type of mining you have in Nova Scotia. Nevertheless they are trying to do something.

I say that the government itself, through the national coal board, should sit down with union leaders across the country, with representatives of the industry itself, and attempt for the first time to map out a fuel policy for Canada involving zoning of markets, development of new areas, and freeing of Canada from domination from across the border. It often amazes me to hear people talk about war with the United States. They would not have to go to war with us. All they would have to do would be to cut off our fuel in winter and we would freeze to death. It would close every industry in the country. That is all they would have to do, because we are dependent on them to that extent.

I mention this now because I want to provoke the thoughts of the minister who is responsible for the supervision of that board, so that he may get the board busy and be able to announce to the house before parliament adjourns some kind of policy for the marketing of our coal, and the development of our own resources. Then at some time in the future we will be as free as it is possible to be from our dependence on the United States at this particular time.

There is another matter I want to leave with the Minister of Labour (Mr. Mitchell). I see he is not in his seat, but I noticed his deputy in the gallery a few moments ago. During the discussion on the national labour code we suggested to the minister at that time that there were certain industries in Canada that should be designated as national industries. For example, there is the packing-house industry. That organization extends from coast to coast, and is the same organization in every province in Canada. If the packing-house industry were designated a national organization and brought under the national labour code, then in the event of a dispute in that industry the federal government would have some jurisdiction in handling the matter. That was not done last session, with the result that after the adjournment of the house there were difficulties in the packing-house industry, and certain problems presented themselves. Every province in Canada handled the matter separately. No one could get together with them. We had a lot of trouble which could have been avoided. It would be a very simple matter to put that into the national labour code. I think the coal industry, the steel industry and the packing-house industry should be designated as national industries. I believe a council should be set up representative of the industry concerned, of the union, and of the Department of Labour. That council could meet from time to time with departmental officials to iron out the difficulties of the industry and avoid running head-on into the troubles that we have run into from time to time in these basic industries.

I see a time, probably in the not far distant future, when it may be the plan of certain people in this country to sabotage industry, to bring on strikes. With the decentralized machinery we have today for the handling of such matters, the federal government will be powerless to intervene in that kind of dispute. I think we should head off any development of that sort. It is coming; make no mistake about that. The way to head it off is by designating the basic industries as national organizations, and bringing them under the national labour code. Councils should be set up similar to what you have in the building industry, where there is very little difficulty. Those councils, consisting of representatives of industry and labour, should meet with departmental officials to iron out difficulties as they develop from time to time

instead of allowing them to grow on a national scale when they become very difficult to handle.

I leave that thought with the Minister of Labour, and I suggest that as early as possible he should set up again the industrial relations committee for the purpose of discussing these two questions, firstly the check-off, and secondly the matter of these national industries. Then we will be able to get legislation of a type which will avoid trouble and friction in the future. I am going to say a few words on the matter of employment. As indicated by the *Financial Post*, there is a terrific increase in employment in Ontario towns.

On motion of Mr. Gillis the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Knowles: What is the business tomorrow?

Mr. Fournier (Hull): We will continue this debate.

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

HOUSE OF COMMONS

Tuesday, February 1, 1949

The house met at three o'clock.

NORTH ATLANTIC SECURITY PACT

PRESS REPORT OF STATEMENT OF MR. W. E. HARRIS—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I beg leave to move, seconded by the hon. member for Neepawa (Mr. Bracken), the adjournment of the house under standing order 31 for the purpose of discussing a definite matter of urgent public importance, namely, the statement of the parliamentary assistant to the Prime Minister, reported by the press as follows—

"War with Russia may be an outcome of the signing of the north Atlantic security pact . . ."

Mr. Harris, parliamentary assistant to Prime Minister St. Laurent foresaw the possibility of war when the pact is signed in about three months' time.

"If the Russians feel they must make war, it will come at that time," he said.

—and the duty of the government to place before this house immediately all the facts and circumstances upon which this statement was based.

Mr. Speaker: I would call the attention of the mover of this motion to paragraph 3 of standing order 31, which reads as follows:

He then hands a written statement of the matter proposed to be discussed to the Speaker, who, if he thinks it in order and of urgent public importance, reads it out and asks whether the member has leave of the house.

Hon. members know that the reason we have a standing order making it possible to move the adjournment of the house to discuss a matter of urgent public importance is to take care of a situation in which the business already on the order paper does not give to hon. members any opportunity to discuss such a matter. In this house the practice has always been that during the debate on the speech from the throne hon. members have an opportunity to discuss practically any matter they may wish to discuss. Moreover, there is already before the house not only the motion to thank His Excellency the Governor General for his message, but an amendment and a subamendment. Since, therefore, it is possible for hon. members to discuss this particular question during the course of the address in reply, I believe it is my duty not to put before the house the motion made by the leader of the opposition, and to ask the house to proceed with the business which is already before it.

Mr. Drew: Mr. Speaker, I realize that the ruling is not debatable. I would point out, however, that we have no knowledge of when the vote will be taken on the motion for an address in reply. For that reason, with respect, I appeal your ruling.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I think it has been the practice in the house that there shall be no appeal from the opinion expressed by the Speaker under paragraph 3 of standing order 31. It is not a ruling the Speaker is required to indicate whether he thinks the motion is in order and whether the matter which it is proposed to discuss is one of urgent public importance. The practice, as I say, has been that there is no appeal from that expression of opinion. Moreover, the Atlantic pact is referred to in the speech from the throne. It is a matter which can be discussed in the debate on the address in reply to the speech from the throne. If the hon. gentleman who has made the motion fears that he may not have the opportunity of discussing it because he has already addressed the house in the debate, I would remind him that he has not yet spoken on the subamendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell), and therefore is not precluded from again entering the debate. The subamendment of the hon. member for Rosetown-Biggar was moved after the leader of the opposition spoke on the main motion; therefore he can be heard at any time the subamendment is under discussion.

I have not seen the statement which the leader of the opposition has handed to Mr. Speaker. I heard it read. Apparently it refers to some statement made outside the house by a member of the house with respect to the Atlantic pact. I do not know that that is a matter which it would be in order to discuss in the house. But if an hon. member has expressed outside the house opinions which do not coincide with those held by others in the house, there will be full opportunity for expression of their opinions in the debate on the address in reply to the speech from the throne.

North Atlantic Security Pact

Mr. Drew: Since the Prime Minister has explained the circumstances at some length, may I say that the matter under consideration is not the Atlantic pact, but rather a statement by his parliamentary assistant, to the effect that war with Russia may come within three months. The parliamentary assistant has pointed out that the most important consideration in the mind of the government is the problem of external affairs. If there may be war with Russia in three months' time, nothing should take precedence over the placing before this house of the information upon which that statement is based.

(*Translation*):

Mr. Maxime Raymond (Beauharnois-Laprairie): Mr. Speaker, I do not intend to discuss the merits of the motion brought forward by the leader of the opposition (Mr. Drew). However, the Prime Minister stated a few moments ago that there was no appeal from the Speaker's decision in such a case. I do not know that any one of the standing orders prescribes that there is no appeal from a decision given by the Speaker. In the past, the Speaker decided to rule out certain motions which were perhaps not unlike this one, but it has always been recognized that parliament makes its own rules, and not the Speaker. The latter may interpret the rules but it behooves the members of this house to maintain or overthrow the decision. Now, when the Speaker gives a decision and decides afterwards that there is no appeal from his decision, it is up to parliament to decide itself whether the Speaker has given a good decision or otherwise in stating that there was no appeal from his first decision. In the past, we have been placed in similar circumstances and I, for one, would not like that to occur again.

(*Text*):

Mr. T. L. Church (Broadview): May I ask the Prime Minister a question? Is it not a fact that already some of the parties to this pact have been making secret arrangements with Russia outside the pact? It looks to me as if it is a lot of moonshine. It binds Canada for fifty years; it gets us nowhere. It gives us no security whatever at a time when Russia is conducting a cold weaponless war and has already captured a large part of Asia and Europe and other parts of the world. This pact is all pact and no security.

Mr. Drew: May I draw your attention, Mr. Speaker, to the fact that in Beauchesne's parliamentary rules and forms, third edition, 1943, at page 747, the following appears—at that time Mr. Black was Speaker:

> The Speaker's refusal to permit an appeal from his decision that it is not urgent to adjourn the house for the purpose of discussing an urgent matter of public importance being appealed from was confirmed by the house.
>
> Mr. Ralston, from his place in the house, asked leave, under standing order 31, to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, and stated the subject to be . . .

If hon. members wish me to read the content, I shall; if not, I will proceed:

> Mr. Speaker ruled that the statement was not in order and that the matter was not one of urgent public importance, and moreover that there was no appeal from his decision.
>
> Mr. Ralston appealed from the Speaker's refusal to permit an appeal from his decision.
>
> And the question being put by Mr. Speaker: Shall the ruling of the chair be sustained; it was decided in the affirmative.

I submit, Mr. Speaker, that this clearly establishes the precedent that the ruling is subject to the test of a vote of the house.

Mr. St. Laurent: I agree with the leader of the opposition that if the Speaker rules that there is no appeal from the opinion he expresses, that is a ruling from which there can be an appeal. There is no appeal on the substantive opinion expressed by the Speaker that the matter is not in order and is not urgent. It is a roundabout way to get an appeal on what does become a ruling, if the Speaker rules that there is no appeal from the opinion he expresses.

Mr. Raymond (Beauharnois-Laprairie): C'est exact.

Mr. St. Laurent: But he has not so ruled yet.

Mr. Drew: So that there may be no confusion in the matter, may I point out that my remarks were directed to the fact that this was not the practice. I would now ask you, sir, to make a ruling on the first point, so that it may then be dealt with in the customary way. The Prime Minister agrees that it can be done.

Mr. M. J. Coldwell (Rosetown-Biggar): I have always taken the view that a ruling of Mr. Speaker sustained by the house in a previous parliament should not be binding on a succeeding parliament. Therefore I agree with the point made by the Prime Minister. But the substance of the motion moved by the hon. gentleman who leads the official opposition is such that we have to decide whether it is a matter of urgent public importance or not. While the statement of the parliamentary assistant is one which should be questioned, there is ample opportunity in the debate on the address to discuss it fully. Therefore it is not a matter of urgent public importance in the sense in which the word "urgency" is used in the rules of the house.

Mr. J. A. Ross (Souris): The leader of the C.C.F. will be prevented from speaking on this

subject of war until after his amendment to the motion for an address in reply is disposed of.

Mr. Coldwell: While I do not like the decision made by a previous Speaker disallowing an appeal from his ruling that a matter then before him was not of urgent public importance, in this instance there is no question of urgency; therefore I believe the Speaker's ruling should be supported.

Mr. Speaker put the question as follows:

The question before the house is an appeal from the Speaker's decision, Mr. Drew having moved the adjournment of the house under standing order 31 for the purpose of discussing the following matter:

A statement of the parliamentary assistant to the Prime Minister, reported by the press as follows: "War with Russia may be an outcome of the signing of the North Atlantic pact."

I decided that there was no urgency for the discussion, as the matter referred to was included in the speech from the throne now under debate.

From this decision, Mr. Drew appealed.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Abbott	Gour (Russell)
Archibald	Gourd (Chapleau)
Argue	Grant
Baker	Gregg
Beaudry	Hallé
Benidickson	Hamel
Bentley	Hansell
Bertrand (Laurier)	Harris (Grey-Bruce)
Bertrand (Prescott)	Hartt
Bertrand (Terrebonne)	Healy
Black (Chateauguay-Huntingdon)	Herridge
Blackmore	Howe
Blanchette	Irvine
Boivin	Isnor
Bonnier	Jaenicke
Boucher	Jones
Bourget	Jutras
Bowerman	Knight
Bradette	Knowles
Breithaupt	Kuhl
Brown	LaCroix
Brunelle	Langlois
Bryce	Laurendeau
Burton	Leger
Campbell	Little
Caouette	Low
Castleden	McCann
Chevrier	McCuaig
Claxton	McCubbin
Cloutier	McCulloch (Pictou)
Coldwell	McCullough (Assiniboia)
Croll	Macdonald (Brantford City)
Dickey	McGarry
Dionne (Beauce)	McIlraith
Douglas	MacInnis
Emmerson	McIvor
Fair	McKay
Fournier (Hull)	MacKinnon
Gagnon	MacLean
Gardiner	MacNaught
Gariépy	Maloney
Garson	Marier
Gauthier (Nipissing)	Martin
Gibson (Hamilton West)	Matthews (Brandon)
Gillis	Matthews (Kootenay East)
Gladstone	Maybank
Golding	Shaw
Mitchell	Sinclair
Moore	Sinnott
Mullins	Smith (York North)
Mutch	Stewart (Winnipeg North)
Nicholson	Stuart (Charlotte)
Nixon	Strum, Mrs.
Parent	Thatcher
Pearson	Townley-Smith
Picard	Viau
Pouliot	Warren
Power	Weir
Probe	Whitman
Quelch	Williams
Raymond (Beauharnois-Laprairie)	Winkler
Raymond (Wright)	Winters
Reid	Wright
Richard (Gloucester)	Wylie
Richard (Ottawa East)	Young
Robinson (Simcoe East)	Zaplitny—133.
St. Laurent	

NAYS

Messrs:

Adamson	Hazen
Aylesworth	Henderson
Barrett	Hodgson
Black (Cumberland)	Jackman
Blair	Kidd
Bracken	Lennard
Bradshaw	Lockhart
Brooks	McGregor
Cardiff	McLure
Case	McMaster
Casselman	MacNicol
Charlton	Manross
Church	Menary
Cockeram	Merritt
Daniel	Miller
Diefenbaker	Murphy
Drew	Nowlan
Drope	Robinson (Bruce)
Ferguson	Ross (St. Paul's)
Fleming	Ross (Souris)
Fraser	Stephenson
Fulton	Stokes
Gibson (Comox-Alberni)	Timmins
Graydon	Tustin
Green	Webb
Hackett	White (Hastings Peterborough)
Harris (Danforth)	White (Middlesex East)
Harkness	—55.

Mr. Pearkes: I was paired with the hon. member for Victoria, B.C. (Mr. Mayhew). Had I voted I would have voted against Your Honour's ruling.

Mr. Johnston: I was paired with the hon. member for Halton (Mr. Cleaver). Had I voted I would have voted to support Your Honour's ruling.

BIRTHDAY GREETINGS

THE PRIME MINISTER—EXPRESSIONS OF CONGRATULATION

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, before the orders of the day are called may I personally—and I am sure I speak on behalf of all those who are

associated with me in this house—extend my very best wishes to the Prime Minister (Mr. St. Laurent) on the occasion of the anniversary of his birthday. I was not sure at first whether the bowl of roses on the desk before him was a birthday tribute or was simply a collection in one bowl of the many roses we saw on an earlier occasion. But on looking up the Parliamentary Guide I found that this is the Prime Minister's birthday, and I desire to wish him many happy returns of the day.

Mr. M. J. Coldwell (Rosetown-Biggar): May we also join in those congratulations?

Mr. Solon E. Low (Peace River): This group also joins in the expressions of congratulation.

Right Hon. L. S. St. Laurent (Prime Minister): I sincerely thank the leader of the opposition and all the other members of this house for their cordial good wishes.

NAILS

PRESS REPORT AS TO SHORTAGE OF SUPPLY

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of Trade and Commerce. Newspaper reports, the accuracy of which I have checked, indicate that nails are in short supply.

Some hon. Members: Oh, oh.

Mr. Fraser: I am glad that hon. members see the point. Nails are in short supply even for the winter demand. What does the department intend to do to speed up production for summer and fall work?

Right Hon. C. D. Howe (Minister of Trade and Commerce): May I say that my hon. friend's complaint is the first I have heard about the nail situation for some months. Production has improved considerably, and so far as I know, distribution is fairly adequate in relation to requirements.

Mr. Fraser: Production was up 8,000 tons last year.

Some hon. Members: Order.

Mr. Fraser: This is important.

Mr. Speaker: Order. If the hon. member has a supplementary question to ask, I suggest that he put it without any comment.

Mr. Fraser: I would ask the minister if he has had his ear to the ground. Evidently he has not, otherwise he would know that nails are in short supply. I shall send him the newspaper which makes that statement.

IMMIGRATION

GERMAN NATIONALS WITH RELATIVES IN CANADA

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): I should like to ask a question of the Minister of Mines and Resources. Has the government given recent consideration to relaxing the immigration laws in order to admit to this country German nationals who have relatives in Canada?

Hon. J. A. MacKinnon (Minister of Mines and Resources): Towards the close of the last session I was asked the same question, and I gave a somewhat extended reply. All I can say at the moment is that so far no other decision has been arrived at. Frankly, the majority of the applications of German nationals for entry into Canada that have come before me in the last few months have been from Germans who fought in the enemy forces against Canada and our allies. We believe that there are many people anxious to come to Canada who have a greater priority than persons such as those to whom I have just referred. Nevertheless, the question is before us, and will be dealt with just as soon as circumstances warrant.

ROYAL CANADIAN AIR FORCE

OFFICER IN COMMAND AT MINGAN, QUE., AIRPORT

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): I should like to ask a question of the Minister of National Defence. Is a United States air force officer in command of the airport at Mingan in the province of Quebec?

Hon. Brooke Claxton (Minister of National Defence): I shall be glad to look into that. I had no notice of the question.

Mr. Julian H. Ferguson (Simcoe North): May I address a question to the Minister of National Defence? At this time has anybody in Canada, other than the minister himself, the power to appoint a United States officer as commanding officer of any depot of any arm of the Canadian forces?

Mr. Claxton: Mr. Speaker, if it were considered desirable in the interests of our common defence that that course be taken, it could be taken.

PRICES

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. T. L. Church (Broadview): I should like to ask the government this question: When may we expect the report of the Curtis commission on the high cost of living? All they seem to know about the high cost of living is in relation to what they consume themselves. It seems to me that all these commissions are a waste of money.

Right Hon. L. S. St. Laurent (Prime Minister): If the hon. member will read the speech from the throne he will find the answer to his question.

Mr. W. Ross Thatcher (Moose Jaw): I should like to direct a question to the Prime Minister. Has the royal commission on prices submitted a report to the government? If so, when will it be tabled in the house?

Mr. St. Laurent: The chairman of the royal commission has written me that the report is in the printer's hands, and that he is urging the printer to get it out as soon as possible. As soon as it has been submitted to the government, it will be brought to the attention of the house.

FISHERY REGULATIONS

SEIZURE OF U.S. FISHING VESSEL "ARAHO"

On the orders of the day:

Mr. George C. Nowlan (Digby-Annapolis-Kings): I should like to ask a question of the Minister of Fisheries of which I gave him notice this morning. Has the United States fishing vessel *Araho* been released from seizure? If so, was any deposit made by the owner of such vessel?

Mr. J. W. MacNaught (Parliamentary Assistant to the Minister of Fisheries): In the absence of the Minister of Fisheries, I will reply to the question of my hon. friend. As to the first part of the question—has the United States fishing vessel *Araho* been released from seizure—the answer is yes. As to the second part of the question—if so, has any deposit been made by the owner of such vessel—the answer is no.

HOUSING

REQUEST FOR COMPLETION OF PROJECT IN ALBERTA

On the orders of the day:

Mr. C. E. Johnston (Bow River): I should like to ask the Minister of Reconstruction and Supply if he is prepared at this time to answer the question I asked him yesterday concerning housing in Calgary.

Hon. Robert H. Winters (Minister of Reconstruction and Supply): I have not the information, but as soon as I have it I will answer the question.

PUBLIC BUILDINGS

QUESTION AS TO SITE FOR PROPOSED CONSTRUCTION IN CHARLOTTETOWN

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I have a question I should like to ask, of which I have given notice to the Minister of Public Works. Has the Department of Public Works selected a definite site for the proposed dominion building at Charlottetown?

Hon. Alphonse Fournier (Minister of Public Works): I thank the hon. member for giving me notice of this question. The answer is yes. The location is in the block bounded by Richmond, Pownal, Sydney and Queen streets. There are twenty-one different properties, and expropriation proceedings have been authorized and are proceeding.

LABOUR CONDITIONS

INQUIRY AS TO DISALLOWANCE OF P.E.I. TRADE UNION ACT (1948)

On the orders of the day:

Mr. Angus MacInnis (Vancouver East): I should like to direct a question to the Minister of Justice. Nearly a year ago a delegation representing two major labour organizations in Canada waited on the then minister of justice and asked that the government disallow the Trade Union Act (1948) passed by the legislature of Prince Edward Island. Can the minister tell the house whether the government intends to take action to that end?

Hon. Stuart S. Garson (Minister of Justice): The hon. gentleman was good enough to give me notice of this question—but, as it happens, not quite sufficient notice, because it came to me about ten minutes ago. Nothing has transpired in connection with this matter in the Department of Justice since I became minister. I have made some rapid inquiries, but I would prefer to have the matter come down in the form of a return, or speak to it after I have ascertained the position from the other departments concerned.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, January 31, consideration of the motion of Mr. D. F. Brown for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, last evening when the house adjourned I had about concluded what I have to say. There is one point I want to clarify. During the course of my speech I raised some objection to the scrapping of our merchant marine. I made particular reference to the fact that as we were selling ships to other governments, other seamen were displacing Canadian seamen in the coastal trade. At that time the Minister of Trade and Commerce (Mr. Howe) and myself had a difference of opinion as to whether or not that could be done. I made the assertion that it was being done.

Since last night I have looked at the act, and I find it is even worse than I thought it was. The fact of the matter is that the Canada Shipping Act gives absolutely no protection to Canadian seamen in the coastal trade or otherwise. It is just the reverse. It makes provision whereby British crews can displace our own seamen without any regard for Canadian ships plying the coastal trade. The Canada Shipping Act is chapter 44 of the Statutes of Canada, 1934. I should like to refer to subsection 1 of section 663 thereof, which reads:

> No goods shall be transported by water or by land and water, from one place in Canada to another place in Canada, either directly or by way of a foreign port, or for any part of the transportation in any ship other than a British ship.

Not only does that not offer any protection whatsoever for our own seamen, but it makes provision for British ships to ply in the coastal trade. That is exactly what I was complaining about last night. Our own ships are being sold and are now under British registry. Our crews will deliver a ship at some port and they are then displaced by either British or Greek crews. That was my information.

Mr. Chevrier: May I interrupt the hon. member? The position he was taking last night was that a foreign ship could operate in the coastal trade of Canada. The position he takes now is somewhat different. A foreign ship cannot operate in the coastal trade.

Mr. Gillis: I am taking exactly the same position I took last night. I am talking about building up a Canadian merchant marine. Last night I pointed out that one-third of Canada's production was exported; and if there is any country in the world that should maintain a merchant marine, it is this country. I am objecting to ships of British, Greek or any other registry plying our coastal waters, operating from port to port, displacing an industry we built up during the war. That was the objection I made last night. At that time I suggested an amendment to the Canada Shipping Act. I pointed out that Britain protects her own coastal trade. No ship, Canadian, Australian, New Zealand or any other, can engage in that trade.

Mr. Chevrier: I am sorry, but that is not the position; Canadian ships can operate in the coastal trade of Britain.

Mr. Gillis: You cannot. I am telling you that I discussed this matter only recently with merchant seamen who have been in Britain from time to time, and they have pointed out that in Britain you are prohibited from taking a cargo from port to port. The same thing applies in the United States. That is not the position in Canada. Instead of protecting our own seamen, the Canada Shipping Act makes provision for handing over the coastal trade of this country to ships of British registry. The information given me before I came to this session was that not only British crews were displacing Canadian seamen, but that the same thing was being done by ships of Greek registry.

Mr. Chevrier: No.

Mr. Gillis: In my opinion, a British ship is a foreign ship, absolutely. Whether or not the minister knows it, that information came from men actually engaged in the industry, who complained to me only a couple of months ago.

I still suggest that our shipping act leaves much to be desired in the way of protection for Canadian seamen even in our own export trade; and I strongly urge the minister to bring in some amendments to the Canada Shipping Act before the conclusion of this session. I should like also to leave with the minister responsible for the construction of ships the thought that we should develop in this country a Canadian shipping policy. We talk about making Canada a great nation, an industrial nation, and so on; but having in mind the fact that we are an exporting nation I think one of the first things we must do is see to it that we have ships that will carry our goods to the four corners of the world and bring back anything it is necessary for us to import. I believe the policy we are following is wrong. We followed it after the first war; we repeated it after the last war. We built up an industry and trained personnel, but as soon as the emergency of war was over we scrapped that industry, which would have meant so much to this country, and sent back to the woods, the fields and the farms from whence they came the personnel we had gone to a great deal of trouble to train.

Last night in my discussion I left with various departments several problems I thought should be handled immediately. I am going to mention them again so that they may be on the record.

First I suggested the development of a shipping policy for Canada and the building up of an adequate merchant marine. Then I pointed out to the Minister of Trade and Commerce (Mr. Howe) the fact that the speech from the throne mentions assistance in the expansion of industry. I pointed to the great concentration of industry in this central province, and put on record some figures to support my statements. I suggest now that if you are going to assist further in the expansion of industry in this country you should give some thought to the decentralization of what you have now in the province of Ontario, because the power simply is not

here to handle any further requirements. Industry in this province has been overdeveloped to such an extent that we had blackouts this winter. So I believe some regard should be given to leveling up our whole economy by spreading whatever future expansion there is over the east and west, depending upon the resources available. I believe the concentration of industry in the central part of Canada is absolutely wrong.

Then I suggested a national fuel policy, something which is long overdue. I believe the national coal board is quite capable of working out something along that line, and there are members of this house who could help. I definitely believe we should get down to business and not only zone our own markets and arrange for the marketing of our own coal, but proceed with the further development of our own resources.

I suggested to the Minister of Labour (Mr. Mitchell), who was not in his seat last night, that the national labour code should be opened up again. I believe that check-off provision should be corrected, and that the committee on industrial relations should be convened to deal with that matter. As long as that code remains as it is, without that check-off provision, at least eight provinces of Canada cannot accept it, because it would be a backward step in relation to the provincial codes already in existence. Therefore I believe that change should be made.

I also suggested that certain key industries in the country should be designated as national industries. One such industry is the meat packing houses from coast to coast. You all know the difficulties we got into last year because of divided jurisdiction. You could not get all the provincial premiers together and the federal government could not step in. As a result serious injury was done, not only to the industry itself but to the consuming public right across the country. I suggested steel as another industry that is basic to our whole economy. Fuel is another. I believe those three industries should be brought under the jurisdiction of the federal government. I believe that councils in industry made up of labour, management and the government, should meet from time to time for the purpose of ironing out the everyday problems of these three industries. Last night I suggested that the time may come when certain organizations in this country will have a policy aimed at sabotage and the bringing about of strikes. If that should happen, with the set-up we have today the federal government would be powerless to step in and do anything about it.

I notice, Mr. Speaker, that I am a little over my time so I must conclude. I seriously suggest that the matters I have just mentioned be gone into, and finally I would urge upon the Minister of Transport (Mr. Chevrier) that he have a look at our shipping act, because there is nothing in it to protect the merchant marine in Canada as a Canadian industry. The fact of the matter is that it makes provision for British ships to come in and take over our coastal trade.

Mr. H. O. White (Middlesex East): Mr. Speaker, in rising to take part in this debate—

Mr. Caouette: On a question of privilege, Mr. Speaker, I should like to know if all members of this house have the same rights. Last night my name followed the name of the hon. member for Cape Breton South (Mr. Gillis), and I was supposed to follow him. Today I find that three names are ahead of mine. I should like to know how the mistake occurred, if we all have the same rights; or if we do not, I should like to know it.

Mr. Deputy Speaker: I saw the hon. member for Middlesex East (Mr. White) when he rose; therefore it is my duty to call upon him now.

Mr. White (Middlesex East): Mr. Speaker, in rising to take part in this debate I wish first of all to extend my best wishes and congratulations to the Prime Minister (Mr. St. Laurent) and the Leader of the Opposition (Mr. Drew). They have a difficult task before them. Perhaps because we are so close to current events we do not attach as much importance as we might to the role they have to play in Canadian affairs. I wish also to extend my best wishes to the new members who have come into this house, and who in due time will play their part in the affairs of this assembly.

I was glad to see in the speech from the throne a reference to the beginning of a national library. I recall that I mentioned this matter on a previous occasion, and I am glad the ministry has seen fit to make a start on it. It may not be a massive building of stone and mortar, but it can be an institution of learning for all Canadians.

I wish to say a word or two about national defence. I do not mean to say that I am any great authority on national defence, but there are some angles of the subject which I think we should examine fairly closely. What I have to say has no bearing whatever on the motion to adjourn the house this afternoon to discuss a matter of that kind. Possibly that emergency was in Nicolet-Yamaska and not in the House of Commons.

I have in my hand a clipping taken from a statement made by Benjamin Franklin in 1777. As I read it I was struck by the

similarity of conditions existing then and now and the applicability to the present of the words he then used. This is the quotation:

> All Europe is on our side of the question as far as applause and good wishes can carry them. Those who live under arbitrary power do nevertheless approve of liberty and wish for it; they almost despair of recovering it in Europe; 'tis a common observation here, that our cause is the cause of all mankind, and that we are fighting for their liberty in defending our own.

How true that is today.

I have three observations to make about national defence. One is to ask for preparedness. The price of preparedness is not too great if it will avert wars. One of the things that helped to bring on two other world wars was the fact that our enemies thought we were weak. Another was "too little and too late." I am wondering if that phrase does not apply to our own conditions and those of our friends even today.

I wish to say a word about co-operation and understanding between the military and the civilian. I happened to visit Brigadier Sparling in London, Ontario. He is in charge of militia affairs there. He was inviting the civilians and the military to get together to see what the army, navy and air force business is all about. I think we might have a better appreciation of what the military are trying to do if we would do just that.

I wish to say a word or two in support of the flying clubs across the dominion. It is often through these flying clubs that many young men of ability are attracted to the air force, which is one of the great wings of our defence forces. At the moment, support of the flying clubs is meagre, and I think the Department of National Defence should pay a little more attention to the work that these flying clubs are trying to do throughout Canada.

I was glad to see in the speech from the throne mention of the St. Lawrence seaway and power project. The cost may be great, but we seem to have millions of dollars to spend abroad, which we shall never have returned to us, and possibly we had better spend some of that money at home in developing our own country. After all, the building of the Welland canal many years ago helped to develop this country. Why would not the St. Lawrence seaway and power project be another great step forward for this nation?

While I am speaking about the seaway and the power project I should like to say a word or two about hydro, although probably there are some in the house who are greater authorities on the subject than I am. I am now considering hydro as part of the scheme of national defence; it is from that point of view that I approach this problem. If we are attacked, we must try to imagine what places are most likely to be attacked, thinking more particularly of the North American continent than of Canada alone. One of those places would be the Windsor-Detroit area, because of the vast industries that are located there for the manufacture of motor equipment of all kinds. Another would possibly be Sarnia, where our rubber plant is located, and Port Huron. Another would be Buffalo, Niagara Falls, Ontario, with its power development, and another the Hamilton-Toronto area.

I have here a couple of quotations or newspaper clippings that I wish to use. They speak of the building of auxiliary steam plants in those areas for the production of electric power. This would seem to me to be a foolish move. We hear a great deal about decentralization and how vulnerable might be the concentration of power in certain areas. Without beating about the bush, I say that in my estimation the place at which to build the steam plant is Port Stanley, Ontario, midway between the Windsor-Detroit area and the Buffalo-Niagara Falls area. It is close to the supply of steam coal, has a harbour, and is close to the Westminster power transformers and transmitters, which have recently been built. Power could be transmitted east, west or north without difficulty. Should a breakdown occur on any of the other power lines, this plant could be used to advantage in every direction. I seriously urge all those who have anything to do with considering plans of this kind that they consider also the aspect of national defence as well as some of the other aspects.

I now wish to refer to these clippings. One is from the London *Free Press*. It is an editorial discussing the St. Lawrence development and other plans. It says:

> Ontario can now go ahead with its plans for the construction of steam plants—and should waste no time.

Another editorial quotes the annual report of the dominion Department of Mines and Resources on hydroelectric progress in Canada during the year 1948, and goes on to say:

> These various developments and a steam-electric plant at Windsor with an ultimate capacity of 322,000 horsepower—

—are planned. Then further on it says:

> The federal department's report states that in addition to the building of the plants mentioned, the Ontario hydro is considering the building of a major steam-electric plant in the Toronto-Hamilton area . . .

I feel that this is an opportune time to have the matter looked into with a view to its application to national defence.

I want to deal for a moment or two with our present economic and monetary position.

Prior to the two world wars Britain was able to finance world trade. She had invest-

ments abroad; she had a merchant navy which transported raw materials from the various countries of the world to her shores where she processed them and exported them abroad. Through these investments she was able to finance world trade. That day has gone. Whether or not it will return, I am not in a position to say. In the period since those two wars no one nation has actually been able to take up the task that was laid down by Britain. Consequently we hear of dislocations in trade and a scarcity of dollars. We find our markets slipping from our grasp.

I shall use two or three quotations to emphasize my point. After all, money is a medium of trade. What we require today is a more flexible medium of trade than we now possess. Trade is stagnating because of the lack of a flexible monetary system. We would all benefit if we had a flexible monetary system. I would suggest that these bright boys in the various departments of finance of the world look into this question. Do not leave it until it is too late and we have a collapse.

The first quotation I shall use is taken from the London *Free Press* of October 1, 1948. It is taken from remarks made by Morris Sayre, president of the Corn Products Manufacturing Company. He said:

Along with trade barriers, Mr. Sayre indicates that one of the obstacles to world recovery and international prosperity is the unstable condition of most of the world's currencies. "For such stabilization," he declares, "it is necessary that there be some currency of unquestionable stability which can serve as a point of reference. Only the United States is today in a position to provide such a currency.

"The United States, then, should accept—as the world's greatest creditor nation—the responsibility for establishing free convertibility of United States dollars into gold."

The next quotation is also an editorial from the London *Free Press*. This paper was dealing with the bacon contract which the Minister of Agriculture (Mr. Gardiner) mentioned on January 5, 1949.

The muddle underscores the iniquity of the whole artificial pyramid permitted to rise and to obstruct the movement of foodstuffs from Canada—and from other producer states—to those suffering from shortages or from actual want. It underlines the need, as agriculture minister Gardiner pointed out a week or two ago, for a new basis, a new approach to the whole problem of marketing.

The Minister of Finance (Mr. Abbott) said in Boston, as reported in the London *Free Press* of November 18:

"Too often we find that the tariff structure of your country makes it difficult, often impossible, for our goods to flow into the United States market. At times this is due to the nature of your customs administration rather than to the tariff itself, although generally your tariff is much more protective than ours."

Canada could supply manufactured and processed goods at a competitive price.

"We hope you will make it possible for us to sell them. We hope you will be prepared to import on a much larger scale. If we cannot expand our exports to you, we will have to achieve a better balance by curtailing our expenditures for your goods, services and tourist trade. It would mean less business for both of us."

These quotations emphasize what I have tried to say, that this lack of flexibility of currency is throttling world trade.

Some time ago nearly all the newspapers of Canada carried the story of an agreement that was entered into between this country—I think the Minister of Trade and Commerce (Mr. Howe) signed the agreement—the United States and the United Kingdom. It was heralded as a step in the right direction. That step was the signing of an agreement to standardize the threads on nuts and bolts and other parts that are used in our military machines. If they were able to do that, it would seem to me that they ought to be able to standardize a currency that would be acceptable to these three countries and possibly to the other western democracies of Europe.

We hear that Newfoundland is coming into the Canadian confederation. We are not going to be poorer, neither is Newfoundland going to be poorer, because of that. We can use their money and they can use ours. We are going to buy their goods and we are going to sell them goods. The same thing applies to the other nine provinces. I cannot see any reason why we cannot do the same thing with other countries. While I am dealing with this Newfoundland question I should say that every Canadian welcomes the completion of confederation. We hope that we shall become better acquainted with our neighbours, and that we shall mutually benefit from this union.

Last session reference was made to the need for haste in getting certain governmental business before the house, and I shall refer to it again. The speech from the throne was somewhat curtailed at that time and it was not as effective as it might have been. This week the same thing has occurred. I might mention that for eighty years we have been hoping that Newfoundland would come into confederation. It is now to be rushed in, in a week. There did not seem to be any haste for a long time, but all of a sudden it is a hasty matter.

We were summoned here a year ago to discuss the Geneva trade agreements, and after a long session they are still to be discussed. Therefore that haste was apparently just a joke.

Another thing that is worrying many Canadians is government by royal commissions. We had a royal commission on prices; nothing was done about the high cost of living, but

it got a problem off the government's doorstep. The government got rid of it for the time being. That may be a way to get rid of problems, but it does not solve them. The difficulty and the blame are still on the doorstep of the government. We have a commission on freight rates, but we also have the board of transport commissioners. It seems to me that they should not be afraid to go ahead and do the work for which they were established. The government should not pass over its duties in that way. After all, what is a government for, if not to carry on the business of the country? And the question of freight rates is the business of the country.

In the speech from the throne we notice that we are to have a commission which will cover everything from the cradle to the grave, and it will probably last until we are all in the grave. That seems to me to be another attempt to get rid of responsibility. Yet we come here and talk about such trivial things as the government chooses to worry us with.

I notice that they very kindly offer to return rental control to the provinces. If they wish on them a dead horse, the provinces will have to pay for the funeral.

I am pleased to extend congratulations to the Minister of Reconstruction and Supply (Mr. Winters) upon his appointment; it has proved to be a popular choice. We wish him well in the task ahead of him. It is a difficult one; and at this time I would point out to him, and to other hon. members opposite, some of the problems our people back home are worried about.

We hear a good deal from our friends to the left about the meaning of subsidized housing. All that subsidized housing means is that every farmer in Canada will not only pay for his own house but help pay for somebody else's.

I have another quotation from the London *Free Press* which I should like to place on record—and it may be that hon. members will form the impression that this is a pretty good newspaper. This is the report of a meeting of city council of June 30, 1948, when the mayor of that city used these words:

> We have had several housing schemes in London—and they were schemes all right . . . That's all federal government building has been—one experiment after another, and the people are the guinea pigs.
>
> They have a lot of high-paid help working on these schemes down at Ottawa and they have to keep those birds working . . .
>
> The private contractor doesn't ask for anything. He goes out and builds a house and pays his taxes and is a good citizen of London. Some of these other fellows aren't; they are just fly-by-nights, and they are not interested in London.
>
> The city contractor builds cheaper than a government contractor, and when he is finished you have a more desirable house.

I hope the new Minister of Reconstruction and Supply will take that into consideration.

Nothing was said in the speech from the throne about the creation of more consumer goods. So far as I could see, there was no reference whatever to labour. I did notice something about forest conservation, and that brings up an important problem, because we realize that in this country our forests produce an enormous amount of wealth. Much has been said but little has been done about that matter. The forests in western Ontario are rapidly diminishing.

In the setting up of income tax provisions for the future, allowance should be made for farmers who are prepared to set aside certain areas of their land for the development of wood lots. Hon. members will realize, as I do, that any farmer who will set aside a tenth or some other fraction of his acreage will not in his lifetime reap any great benefit from so doing. He will be dead and gone; but the generations following him will reap the benefits of his foresight. For these reasons I say that provision should be made in the income tax regulations to take care of planning of this kind. If the government were to do the same type of work on the same land, someone would be paid for it; but it expects the farmer to do this work for nothing.

I do not happen to be a lawyer, and for that reason what I shall say about the law must be limited. However, the changes made last year in the Criminal Code will be costly to the counties in Ontario. I refer to the amendment permitting trial by jury of petty offences. Costs will be extensively increased.

This is what Judge Ian MacRae said to county council in London, Ontario, respecting this matter:

> Wednesday night council heard Judge Ian MacRae outline the changes in the code, which would give persons charged with theft, false pretences, receiving and retaining stolen goods under a value of $25, assault (including assault occasioning bodily harm and common assault), obstructing a police officer, keeping a disorderly house and betting offences, the privilege to elect trial by judge and jury, or by a county judge only.

He pointed out that if those so charged were allowed to elect trial by jury, it would slow up procedure and delay justice.

Nothing is causing greater worry to the people of Canada today than the matter of taxation; therefore I shall take a moment or two to discuss this important problem.

I have before me a further quotation from the words of Benjamin Franklin, which, I suggest, we might well take to heart. He said back in 1758, a long time ago:

> Friends and neighbours, the taxes are indeed very heavy, and if those laid on by the government were the only ones we had to pay, we might more easily discharge them; but we have many others, and much

more grievous to some of us. We are taxed twice as much by our idleness, three times as much by our pride, and four times as much by our folly; and from these taxes the commissioners cannot ease or deliver us.

I read the other day in a newspaper article that while Canadians pay $40 per person for alcoholic beverages they pay only $22 per person for milk. Probably the Minister of National Health and Welfare (Mr. Martin) can do something about that.

In the field of taxation the man who is thrifty and hardworking is penalized. We penalize the worker and reward the shirker. Try to get away from that if you can.

We know of many nuisance taxes. In one small village in my constituency, a radio inspector created considerable disturbance, and I am sure the few dollars he picked up were more than lost in the cost of administration. In my view, radio licences should be abolished, as should be also the taxes on soft drinks and candy used to such a large extent by children. Surely we could remove these nuisance taxes.

In my view a curb should be placed on the procedure of forecasting budget proposals. We now see this practised to the extent that it appears in the speech from the throne. I hold in my hand a clipping from a much-quoted newspaper which points out that at Petrolia, Ontario, the parliamentary assistant to the Minister of Agriculture went out on a limb in his predictions of what the budget was going to contain.

Mr. Graydon: Not another one, surely.

Mr. White (Middlesex East): I shall read a part of what he said:

A "sunshine" budget for Canadians in 1949, and in particular for the rural communities was forecast here today by Robert McCubbin, M.P. for Middlesex West and parliamentary assistant to Minister of Agriculture J. G. Gardiner. . . . "I realize there have been some hard feelings about income tax," said Mr. McCubbin, "but there is no need to fear. There is going to be some redress given to those in the lower income brackets."

For three years I have been asking for that very thing. If the Minister of Finance had come to me three years ago I would have told him what to do. It would have been done three years ago instead of waiting until there was an election. Some have said that this is an election year, but as far as I can see this is just a deathbed repentance on the part of the government opposite.

Just how serious is this matter of taxation? The government now taxes thirty cents out of every dollar the worker earns—nearly one-third. No wonder the worker does not have enough money to buy butter, milk, bread and some of the other necessities of life. No wonder he is complaining about high prices. The fact is that they are not as high as they seem, because nowhere in the world will so little labour buy so much food as right here. But that is just an indication that the farmer is not getting all he should.

A good deal has been said about the simplification of the income tax form, but the one I got did not seem to be any simpler than the previous ones. They are all simple when you have the answer.

When the hon. member for Essex West (Mr. Brown) moved the address in reply he stated that there should be more publicity men in the government. I suppose they are needed to bring out the good qualities of the government. They certainly will need a lot of them, even though there are hundreds employed already grinding out government propaganda. One of the most recent examples was in connection with family allowance cheques. This came out last week with a cancellation mark on the envelope reading "Recreation pays dividends".

An hon. Member: Explain.

Mr. Martin: That depends on the point of view.

Mr. White (Middlesex East): I think the name of the department of immigration should be changed to "department of frustration". This is an example of bureaucracy in reverse. For three years I have been trying to get permission for a family to come from Europe. There was a farm and a house all ready for them, but it took three years. I notice from the papers that a large number of displaced persons were brought into Manitoba under order in council. There was not even decent housing for these people. Blanket orders in council are being passed to admit nearly everybody under the sun. I do not know of any department that is so discouraging to work with or from which you get so few results as the department of immigration.

Agriculture is in a serious condition today. During the war years, glowing pictures were painted of what the government would do for the farmer when difficult times came along. He was told that he would be protected, but the story now is a little different. It does not take any great ability to sell scarce goods for less money than they are worth, and that is what has been done since the war began.

The reference to the by-election in Digby-Annapolis-Kings the other day was a good illustration of just how disappointing this can be. The government spent money down there with no results. We gave food to Europe with no results. They do not appreciate what was done for them. We have lost those

markets. I feel rather sorry for the Minister of Agriculture (Mr. Gardiner).

Mr. Gardiner: Don't feel sorry for me; feel sorry for yourself. We will be around when you are gone.

Mr. White (Middlesex East): That is what you think.

Mr. Harkness: Are you going to starve us out of the farming business?

Mr. Gardiner: You made enough out of your hogs.

Mr. White (Middlesex East): The gamble has been lost. If ever there was a gamble in food, it was the action taken by this government. It is not so bad to gamble, but it is bad to lose. What has happened in connection with the contracts for foods that have been consummated? Two thousand million dollars lost. Our farmers are worried. For a few minutes I should like to refer to the position in which the Canadian farmer finds himself.

Who has these contracts now? Poland has one for $600 million, and other iron-curtain countries have other contracts. By the way, we could use some of the steel that is being sent to iron-curtain countries. We could exchange wheat, poultry products and other things for that steel. What about these pacts with the U.S.S.R.? I should like to quote an article which appeared this morning in the Ottawa *Journal*, as follows:

> Secretary-General Harry Pollitt of the British communist party said here today that soviet exports would be "an important factor in bringing down exorbitant American and Canadian prices for wheat."
>
> Addressing a meeting, he said the world "may get a surprise shortly at the amount of wheat the soviet union could put into the wheat pool."

Would socialist Britain like to destroy the free economy of Canada and the United States? If so, will the failure to buy our products help to bring that about? What about this myth of stability in connection with cheese, butter, flax, soybeans, wheat and white beans? The farmers of southwestern Ontario are worried about markets for their special crops and I should like to say a word or two about white beans.

The Acting Speaker (Mr. Golding): I would remind the hon. member that his time has expired.

Mr. White (Middlesex East): If I may be allowed to conclude, I shall be very brief.

The Acting Speaker (Mr. Golding): By unanimous consent.

Some hon. Members: Agreed.

Mr. White (Middlesex East): The bean marketing organization has a quantity of beans. A market was found in Australia for between 50,000 and 75,000 bushels of Canadian beans. The money was available and the price satisfactory, but the socialist Australian government refused an import permit. They decide, as they do in all other countries, what they think is good or bad for their people. The Australian people lost the opportunity to obtain these beans, and Canadian farmers are stuck with beans they would like to sell. That is an indication of what is going on in the world when a government can decide what they think people ought to have.

While the minister and his assistants were abroad seeking more contracts for Canadian food products, the Supreme Court of Canada kicked the Canadian farmers on the shins over the Dairy Industry Act. I would suggest that the supreme court take a look at some of the laws this government has passed in the last few years. I do not believe any of them would stand the acid test. One instance is that of the jeweler in Pembroke who was fined for not collecting money for the government when he was not being paid to do so.

Mr. Sinclair: Did the Tories not have a resolution on margarine at their national convention? You agreed with the supreme court.

The Acting Speaker (Mr. Golding): Order. The hon. member's time has expired.

Mr. Roland Beaudry (St. James): Mr. Speaker, the other day the official opposition expressed some surprise at the frankness with which we speak on this side of the house. Today, even at the risk of again jolting the leader of the opposition (Mr. Drew), I am going to speak my frank opinion on one or two topics. First, I will be frank with the Minister of Finance (Mr. Abbott). When the time has come to deal with minor matters I will resume with the member for Carleton (Mr. Drew) the discussion on frankness which he opened the other day with the member for Vancouver North (Mr. Sinclair), and which I understand was more or less kept alive by the Prime Minister (Mr. St. Laurent) yesterday afternoon.

Let us tackle important matters first. I should like to be candid and frank with the Minister of Finance, and I am very appreciative of the fact that he is in the house now. I do not like his income tax policy, and my constituents do not like it either, which makes it unanimous in my constituency. I did not like it last year; I did not like it two years ago, and I told him so in the house. I am glad to be able to say that my words bore fruit because last year the Minister of Finance found it advisable to grant certain measures of relief which I had advocated for those Canadians getting along in years.

This afternoon I should like to offer another suggestion, and I do so purposely at this stage of the session. I suggest that the minister give full implementation to this suggestion in his coming budget. It springs in part from optimism, but it is about time that we on this side of the house were optimistic. One look across the aisle surely justifies it. We were told to expect world beaters, but we have come up against nothing but almost obsolete prize ring technique. We are sold Gorgeous George, and all we find is a new hair-do. We are told about the big apple from Carleton, so different from the Neepawa brand, but all we find is the same pippin next to the same Peel.

It is time we on this side of the house were optimistic in money matters. Three years' official pessimism has brought us a total surplus of almost $2 billion. I do not think we run any great risk of being tagged as spendthrifts if we should err slightly through optimism. During the last three years our ministers of finance have demonstrated that surpluses are an excellent commodity. But that has not made them any more digestible to the Canadian stomach. Today I should like to suggest that a change of diet is definitely indicated, and that, of all social legislation, advanced as we are in that field, thanks to this government, perhaps none would be more to the point than that which would recognize the sometimes overlooked rights of the present as against the future.

No legislation would bring more clearly to the people of Canada the almost phenomenal achievements of this government in the field of financial administration than such legislation as would substantially decrease the burden of the Canadian taxpayer in the face of our present commitments, both for social purposes and perhaps for the defence of our country. I have enough faith in the skill of our administration to warrant, in the year 1949, the introduction of substantial tax reductions, and when I say substantial I mean substantial. More concretely, I am about to advocate that in the next budget the Minister of Finance be prepared to decrease the total individual income levy by slightly less than 50 per cent in the over-all amount.

Here may I say this. Three years ago the Minister of Finance and his experts missed the mark—to their advantage, mind you, and to the advantage of the people of Canada—by some $300 million. Two years ago they overshot it by almost $700 million, and in the year now ending it seems fairly safe to foresee that our surplus will equal the previous one, if it does not exceed it. There is little consolation in that for those on the opposite side of the house who would like to tell the country that they can do a better job of Canadian economics. We sometimes overlook the fact that this has been achieved in spite of most considerable tax reductions since the end of the war. While we grumble we forget to look at the facts, but it is a fact that for those who constitute the largest single group of taxpayers, by marital status and income brackets, the group of single taxpayers earning between one and two thousand dollars a year, the average tax, which in 1945 amounted to approximately $215, was successively brought down in 1946 to $165, to $127 in 1947, and in 1948 to approximately $100. It is $100 in 1948 for the taxpayer who paid $215 in 1945. That is quite a reduction, but he still pays $100.

I stated at the outset that I should like to urge the Minister of Finance to continue his policy of decreased income taxation for the individual by bringing down a budget which this year would levy approximately half of what has been levied in the last few years. I well appreciate that this seems a drastic departure from his carefully considered decreases of the past, but I am also thinking of Canadians throughout the country who feel more and more that this country was not built in a day, and that it does not necessarily follow that because one generation incurred the expenditure of war that same generation must also bear the brunt of its cost.

The current method of computing the net taxable revenue of Canadians has been in use since the introduction of income tax for war purposes in 1917. During the intervening years various rates of taxation have been enforced, and various scales of deductions have been set to establish the net taxable income. These deductions, however, have constantly been uniform for all categories of taxpayers regardless of their income and their responsibilities towards dependents. They have failed to take into consideration certain vital factors which have become more obvious than ever in recent years. The only departure from the general rule happened in the years 1942 and 1943, when the exemption for dependents was granted on the amount of tax payable instead of from the gross amount of the taxable income, as is again the rule.

At all times this process has failed to recognize the actual basic needs of each taxpayer translated into dollar values on a day-to-day basis. Nor have we allowed for the fluctuation in the dollar value, computed on the basis of the cost of living and its corollary, the scale of wages and salaries; nor have we established a difference in the actual needs of each taxpayer and his dependents in relation to the taxpayer's income. In recent years this omission has brought about further hardship to the taxpayer because of its failure to recognize the very swift changes in the cost of living and the swift modifica-

tions in the wage scale, with the result that to a large extent wage increases have been nullified by the operation of the income tax assessments.

Since earning power and earned revenue have shown a tendency to move with the cost of living, in recent years at least, and more so in the lower brackets, it follows that the arbitrary, inflexible exemptions tend to penalize the taxpayer during periods of high wages and high cost of living. Furthermore it has been shown that under these conditions the present method of taxation has had the effect of discouraging increased production in terms of man-hours. Since the elaborate plans of the present government for the industrial expansion of Canada find their most valuable adjunct in the resources of labour, it is in the interests of this country as a whole that the income tax structure should not deter the wage earner from increasing production.

I am fully aware that no perfect method can be devised to provide each category of taxpayer with a full measure of equal justice. The application of two principles I am about to advocate, however, would have some immediate results. The first would be that of recognizing and effectively dealing with the fluctuating dollar value in terms of wage rates and purchasing power. In the second place they would provide for the difference in the obligations of various categories of taxpayers by income brackets, in keeping with their income.

So I would advocate—and I bring them to the attention of the Minister of Finance (Mr. Abbott)—two principles. First, that an earned income exemption be added to the basic exemption granted each taxpayer according to his marital status, and that in this case it be an amount equal to 20 per cent of the taxpayer's earned income, with a maximum deduction of $1,500 for a single taxpayer and $2,000 for a married taxpayer; in other words that this exemption on earned income should apply to a maximum of $7,500 earned income in the case of a single man or woman and $10,000 in the case of a married taxpayer.

Second, that the dependent exemption, now set at $100 or $300 depending upon the reception or non-reception of the family allowance, be discarded; and that the dependent allowance be set at 10 per cent of the taxpayer's earned income for the first three dependents and 5 per cent of that same income for each dependent above three, again with the limitation of $10,000 upon earned income.

May I take this opportunity to quote to the minister some results which would be brought about by the application of this principle, based upon the rate of taxation for 1947-48. In the case of a married man earning $1,500 and paying in 1947 some $83 and a somewhat but not considerably smaller amount in 1948, the extension of this principle would involve the payment by that taxpayer of $6 in 1949. It would also imply, by the operation of both the dependent and earned income allowances, that in practice no single wage earner receiving less than $960 would be taxable, and that no wage earner with marital status earning less than $1,960 would be taxable. It would also mean, going a little higher in the scale, that a married man with one dependent would be taxed $17.50 on yearly earnings of $2,300; a married man with two children would be taxed $3 when he reached an income of $2,550, and a married man with three children would not be taxable until his earnings reached $3,000.

I appreciate that the application of this principle may not deal a full and equal measure of justice to certain taxpayers, but in my opinion it provides a great deal more than is provided now by the system under which we have been operating since 1917; and there are instances of this. The operation of the exemptions, set at $100 or $300, means that in what you might call the comfortable middle class bracket, each taxpayer gains from the state an actual amount of $20 for each child he has to feed, clothe, bring up and educate. It is true that we brought in the family allowance legislation in 1945 in order to help each Canadian family bring up, clothe and educate its children; but it is also true that to a considerable extent the operation of our income tax legislation has foiled the purpose of the family allowance provisions, at any rate in those brackets over the $4,000 mark.

I would point out that the growth of Canada in essence is based upon the growth of our families. I believe the Minister of Finance should find it, not only possible, but easy, to grant the application of my first principle, because while it may be new in Canada it is not new elsewhere. It has been applied in many other countries for a great many years, notably in Great Britain. And I think it would follow that if the application of the first principle is sound for Canada, the application of the second principle, which is based on the theory of aiding the growth of Canadian families, should also be found very easily justifiable.

There will be other opportunities to discuss this point at greater length. I am introducing it today, however, in order that the minister may give it full consideration; and before concluding on this topic I should like to bring two or three points to his attention. Apply-

ing the income tax legislation in this fashion would immediately mean, that on the basis of the Department of National Revenue statistics for 1947 we would immediately lop off from the taxation rolls of this country the names of 724,025 taxpayers. I also contend that since, in all categories or in all brackets under $3,000, the amount of collectible taxes would be extremely low, we could also eliminate the necessity of weekly payroll deductions and thereby eliminate not only the inconvenience but the expenditure which it brings both to the Department of National Revenue and to every Canadian employer. I do not need to add that the operation of this plan would create a much more rational difference between taxpayers according to their incomes and their responsibilities. The minister may argue that this application would lop off too much revenue. We shall get into that subject when we discuss the budget. But let me say here that the extension of the 1948 figures, and those of 1947 for that matter, based on this application, proves to us that under the same scale of taxation as that used in 1948 our national revenue would still be quite sufficient to provide us with a surplus.

I should like to resume the discussion on frankness which the hon. member for Carleton (Mr. Drew) opened up the other day. I am sorry to see that he has not seen fit to remain in the chamber, although I told him at the outset that I should like to discuss frankness with him.

Mr. Graydon: No aspersions, please. The leader of the opposition has been called out on urgent business, and I do not want any aspersions made with regard to his motives. The hon. member hardly does himself justice.

Mr. Deputy Speaker: Order.

Mr. Beaudry: May I point out that the leader of the opposition went to some pains on the first day of the session to stress his knowledge of the rules. His statement seems to have been highly restrictive. There is one rule which he apparently does not know; and it puts his frankness at a small disadvantage: That of not being believed.

There is one rule which is paramount in this country. It is a rule that has been rigidly followed by the one who was Prime Minister of Canada for over twenty-one years, and by the one under whom I now have the honour of serving this country. This rule is this: Throughout the breadth of this land, whether it be in British Columbia or in the maritimes, in Quebec or in Ontario, it is considered good form to translate one's thoughts and one's statements literally; to show no divergence of thought or of expression according to the setting. And to be recognized as a man of political honesty in whom Canadians can place their faith, one's sequence of statements should at least dovetail. This is a rule which has been followed in the house by most hon. members who for years have striven to achieve and attain Canadian solidarity. It might be well for the leader of the opposition to acquaint himself with that rule. It would be too late to serve his party's purposes, but he will at least be in step with the rest of the country, even if only in the rear ranks.

My constituents, and those of a great many other members of this house, were not a little amazed last week when they heard of the leader of the opposition entering into a discussion on frankness. They are aware that he has recently become the official prize profferer of the pro-cons and that, as such, he has let it be known that he and his followers would revise the family allowance upwards. When they read this, my constituents were amazed that the hon. member would discuss frankness, because they think of him, they remember him, they know him, as the man who in 1944 stated, and I quote the *Globe and Mail* for August 10, 1944—

Mr. MacNicol: That is a good paper.

Mr. Beaudry: It is good enough for this purpose.

Mr. Sinclair: Accurate reporting.

Mr. Beaudry: The quotation is as follows:

> "But I assure you", said Premier Drew, "that the government of Ontario intends to do everything within its power to make sure that this iniquitous bill does not go into effect. It is not this bill alone, but the whole principle involved which we intend to resist."

Perhaps the hon. leader of the opposition is as well read as he claims to be well travelled and well informed in the customs and mores of the various parts of our planet, in which case he will have no difficulty in recognizing the following quotation:

"Men live by potatoes. . ."

The quotation is from Lin Yutang, from a book which is appropriately entitled "Between Tears and Laughter." It follows a chapter entitled "Government by music" which, for our purpose, we would change to "Government by glamour."

An hon. Member: What about yourself?

Mr. Graydon: We have it already, with the present government.

Mr. Beaudry: The hon. member may peddle his potatoes from province to province. He may extol their merits and tell us how good they are for us. But there is one thing that he cannot do. He cannot force us to like them. And when Canadians do not

like something, they have their own way of showing their dislike. Our potato peddlers will find that out very shortly.

Mr. Graydon: The hon. member and the communists are together on that.

The Acting Speaker (Mr. Golding): Order.

An hon. Member: The hon. member for Peel cannot take it.

Mr. Graydon: Oh yes, he can. It is easy to take.

Mr. Beaudry: I wish to quote from a radio broadcast of August 10, 1944.

An hon. Member: Oh, come up to date.

Mr. Beaudry: I will. Too soon for you. The quotation is as follows:

> Mr. Drew termed the family allowance bill an "obvious bribe" and said "there was every reason why this measure should meet with approval in Quebec where there was a very important election approaching."
>
> The premier asked: "Are we going to permit one isolationist province to dominate the destiny of a divided Canada? I hope that each one of you will answer with a resounding 'no' which will be heard in every part of the province of Quebec."

Is that the basis on which the leader of the opposition would establish his provincial-federal relations? If it is, he may find some slight disturbances on the benches behind him. What will the hon. member for Charlevoix-Saguenay (Mr. Dorion), the hon. member for Argenteuil (Mr. Heon), and the hon. member for Stanstead (Mr. Hackett) say to their constituents? Will they explain to them that their leader's attitude in the matter of federal-provincial relations is that Ontario or British Columbia or the maritimes should not each take its share of federal responsibilities if it entails Quebec participation in benefits?

And what applies to Quebec and Ontario can apply just as well to British Columbia and New Brunswick, to the prairies and the maritimes. Or will they tell their constituents that their duty to them—and that is their first duty—cannot abide their leader's peculiar philosophy? Or will they, in the interests of their party, sacrifice what vestiges of pride are left among those sitting opposite us and urge them to follow him who had naught but contempt for them in 1944? It matters little what attitude they take. Those potatoes are not palatable in Canada.

"An iniquitous bill," according to the 1944 version. "Family allowances should be increased," according to the 1949 version. Frankness! That is the type of frankness which brings melancholy tears to some but to most only a derisive smile. Frankness—with whom? Surely not with himself, unless the hon. member would plead that he has not attained sufficient maturity of judgment to pass on the merits of a question at the outset, and that in all things this country may expect from him that his positive opinion today may become his negative opinion tomorrow. Frankness with whom? Surely not with the people of Canada, unless the leader of the opposition (Mr. Drew) would plead that his original judgment had been erroneous. But can the people of Canada accept the plea of error in a matter that is vital to every family in Canada, and from a man who would seek to lead the people of Canada?

To lead this country into error has been the fate of his party in the past. We recall the 1930 bombast and the 1935 repercussions; but at least in those days error was not a premise but an unfortunate conclusion. Today, however, error becomes a premise, for the leader of the opposition, wooing votes, has to answer two counts before the opinion of Canada: extreme fallibility or extreme disregard for frankness; because either the hon. member for Carleton expressed in 1944 some views which he has completely reversed in 1949, a fact which would betray a strange immaturity of thought and judgment in one who would be presented to us as an oracle; or without having changed his 1944 views, "I shall never allow this iniquitous bill to pass", he becomes what he might term candidly frank in expressing the opposite thought. But that type of candid frankness smacks too much of something else to induce the people of this country to follow him in the path of unadulterated truth.

A gentleman outside this house whose command of the English language is much superior to mine said to me one day, "I am utterly but not unalterably opposed." That is one explanation the leader of the opposition might give Canada. But let me say this.

Mr. Graydon: Do not let him get under your skin in that way.

Mr. Beaudry: It will be lost upon all those people throughout Canada upon whom the subleties of the English language are sometimes lost, and the fully bilingual ones will find it extremely difficult to reconcile the siren's voice, in French, with the original English version. I will assure the hon. members who are sitting with and behind the leader of the opposition that they will be given excellent cause to realize the reason for the motto of the province of Quebec "Je me souviens"—I remember.

Mr. Graydon: That is what you said last July.

Mr. Beaudry: The cause of frankness which the hon. member and his cohorts served so well in 1944 will be served again

in the next election. The suit of armour of that valiant knight of frankness gapes a little bit at the seams and discloses just a speck of the electoral singlet which it covers. Canadians from all parts of Canada, and Canadians from Quebec, side by side with Canadians from the other eight provinces, will judge that pure unadulterated expression of sentiment shone forth a great deal more clearly in the provincial era than it does in the federal arena.

This country has a way of expressing itself, and he will be condemned because he withdrew in 1944 what he drew in 1949, because he proffers now, in the interest of a lost cause, what he scoffed at five years ago. He will be condemned because he has shown conclusively to this country that either his judgment or veracity is not above reproach. I am not imputing motives, nor am I questioning the veracity of the hon. gentleman. He can establish both his veracity and the soundness of his motives. All he has to do is to tell the people of Canada, in this house, that he was right in 1944 and that he spoke his opinion frankly, and that he is right in 1949 and that he is still speaking his opinion frankly. No one will question his word, but many will doubt his wisdom and his ability to see much farther than his press notices.

Perhaps I should remind hon. gentlemen on the other side of the house that when this country looks for a leader it expects to find in him not only frankness and wisdom and farsightedness—

Mr. Graydon: That was all threshed out in Digby-Annapolis-Kings.

Mr. Beaudry: Yes! That explains why we sit on this side of the house and why the hon. gentlemen led by the versatile member for Carleton still sit on the other side in spite of that impressive curtain raiser.

Incidentally, Mr. Speaker, that curtain raiser reminded me somewhat of the old days of vaudeville when the curtain raiser was inevitably devoted to the acrobats. The featured stars waited until they were sure that they would not be dazzled by the footlights. But they were the ones who brought the house down. The hon. member's acrobatic handlers of the twenty-four sheets might well keep that in mind.

When the hon. member's wisdom or foresight is questioned, perhaps the member for Eglinton (Mr. Fleming) would constitute himself the explanatory ambassador. Last September he professed to have a great deal of familiarity with my constituents' desires for both veracity and sagacity.

Or shall it be found preferable to have an uxorious explanation.

The hon. member for Lake Centre (Mr. Diefenbaker), who has put up quite a case for the rights of man, might not like that. It might, in fact, bring tears to his eyes, with or without benefit of photographer.

Let me put their minds at rest.

Neither Catherine the Great, nor Ivan the Terrible, nor the consort of Catherine, have much influence on our schools of thought in this country. Canadian thinking is uncluttered by side issues. In Quebec, as in Ontario, we deal with facts more than with explanations. And there are so many facts to the credit of this side of the house and there will be many *explications boiteuses* coming from the other side.

The best we can expect is that Canada will charitably comment that the hon. member for Carleton is quite a jokesmith, which will no doubt add to his acrobatic lustre.

This should bring some balm to Neepawa, and it should encourage Eglinton and Lake Centre to hope that the flowers that bloom in September are not necessarily perennials.

Since the well-travelled member for Carleton claims to know something of the customs and mores of Rome, as was evinced earlier this session, may I suggest to him that when he rises again to uphold his motion of non-confidence he add a preface to it: *Ave Caesar, morituri te salutamus!*

Since his versatility does not extend to languages, may I offer him a translation.

(Translation):

Mr. Prime Minister, we the Conservatives, who are about to disappear through a lack of frankness or of judgment, bow to you.

(Text):

Mr. William Irvine (Cariboo): I can at least agree with the hon. gentleman who has just taken his seat in one particular thing that he said. I think perhaps I shall hardly have as much faith in it as he seems to have. He said that Canadians deal with facts. I hope they do, and in that hope there are one or two or more facts that I want to bring before this assembly, and which I hope will filter through to the country at large. The first fact is that we have in Canada a number of great monopolies and great cartels.

Next, these great cartels and monopolies are detrimental to the best interests of the common people of this country. The next fact is that these cartels not only challenge the liberties and freedom of the common man in his economic life, but also challenge democratic government. The next fact is that in the speech from the throne there is nothing about this great evil which, to my mind, is the most challenging of all the evils in Canada today.

I have no doubt the leader of the opposition (Mr. Drew) is a "great evil"; he has been challenged. But this great monopoly has not been challenged either by the government or by the leader of the opposition. A monopoly is a large business or industrial concern controlled privately by a few, and which has the power, regardless of how that power may have been acquired, to fix the prices of goods in accordance with profit motives, the power also to restrict production as an excuse for keeping the prices of goods at high levels. Thus, through their economic power, they exert undue influence both on the domestic economy and the foreign policy of the nation.

Are there such monopolies in this country? I scarcely need stop to prove that. I would refer back for a moment to the report of the Stevens commission of some years ago, in which it was clearly demonstrated that not only did we have at that time in Canada great monopolies, but that they were very active.

Since that time several investigations have been made. I refer in particular to the McGregor report, a copy of which I hold in my hand, and which clearly shows that there are in this country large monopolies. I need hardly refer to the fact that certain industries in this country have been challenged recently in that respect. The dental supplies industry, for example, and the bread-producing industry were both regarded as being subject to court procedure; but so far as I know no proceedings have yet been taken against either of them. However the monopolies are there; of that there can be no question.

If one asks how they got there, the reply would be, as is shown in Mr. McGregor's report, that they came through a perfectly natural process of private enterprise competition, where in the early stages competition was rife, keen and honest, and at such time prices were kept down because of the competition. Gradually however the weaker ones were weeded out; and eventually only the more astute, and the more able and cunning were left. They proceeded from that point to amalgamate or to merge into great monopolies, or to take some other form of getting together.

As a matter of fact, here are some of the practices of cartels, showing how they get together. As is pointed out at page 62 of the McGregor report, there are agreements in the fixing of prices, agreements to allocate territorial markets, agreements for the restriction of production, agreements for the restriction of exports, agreements for the restriction of productive capacity, agreements to restrict the exploitations of inventions, agreements not to supply or to deal with non-cartel members, agreements providing for differential prices, agreements not registered in accordance with the plan for international registration.

So it can be seen that they come about in a perfectly natural way. Some of our monopolies are real mergers operated under one management. Others are monopolies by agreement—and agreements which are most difficult to call in evidence when they are found to have violated the laws of Canada. These agreements are invariably silent; they are not signed and made public. For these reasons they cannot be used in evidence. But usually they are most effective, because it turns out that the same price is charged for the same commodity all across Canada at the same time.

Then there are other kinds of monopolies, one of which is known as natural monopolies. Some monopolies are very large—they might be called the mastodons of the industrial period. These are known as international cartels, and here are some of the typical ones: Farben and General Electric, in Germany; du Pont in the United States; Vickers-Armstrong, Unilever and Imperial Chemical Industries in Great Britain; International Nickel, Aluminum Company of Canada and Canadian Industries Limited in Canada.

I am not trying to give all the names, but have sought only to give typical Canadian, British, American and German international cartels. There are others which are still at a national level. Some of these will remain at that level, while eventually others will graduate into the international field. Among these might be mentioned the Bell Telephone Company, Imperial Oil Company, Imperial Tobacco Company, General Electric, the steel companies, farm implement companies, packing plants and banks. These are all monopolies in Canada.

A monopoly, sir, is the fullest development of the capitalistic system. It is the flower of private enterprise advocated not only by the government but also by the official opposition and the Social Credit party to my left. It is from this flower of private enterprise that the working bees gather the honey to feed the drones of big business, and keep them sweet.

I am protesting against monopolies in this country, in the first place because through the concentration of economic power, without responsibility for public policy, a monopoly is the greatest of all threats to freedom and democracy. Monopoly limits the economic freedom of the working people, of the farmers, of the small business people generally.

That is done in this way. Let us notice what happens when their basic industries of a monopolistic character like steel raise prices. As soon as they do that, being basic industries, they start a rise in the

price of every commodity which the ordinary man needs for his living. By raising the price of steel they raise the price of bread, they raise the price of clothing, they raise the price of furniture, they raise the price of nousing, they raise the price of everything that the working man or the farmer or the small business man of this country requires for his life.

What is perhaps as bad is that while they raise these prices they are not recognized as the ones who have done it. They are behind, not the iron curtain but the great silken curtain of industrial and free private enterprise hypocrisy. They are so far behind that the common man does not see them there, so he quite often blames the local merchant for putting up the price of this or that, whereas it was really put up by the basic industry that had authority and power over the government to fix its prices as they pleased in order to maintain its high rate of profit.

By this concentrated economic power they are able to foist economic tragedy upon the nation at any time they like. They have done it time and time again. They are the invisible and irresponsible dictators of price; they are the invisible and irresponsible dictators of the amount of real income which shall pass to the wage earners and farmers of this country; they are the irresponsible dictators of the economic standard of living. Every increase in the price of commodities produced by these great monopolies is reflected in the wage that the worker receives and the price the farmer receives for his products. The result is that as prices are forced up by these monopolies the income of labour and of our farmers is correspondingly forced down.

By their wrecking of the economy from time to time they precipitate unemployment at intervals in our history. Great unemployment actually plunges millions of people from the verge of poverty to the very dungeon of want and despair. In this connection I should like to quote from a speech once made by the Right Hon. Herbert Morrison. He was dealing with the state and industry and was showing that, even when vast privately controlled concentrations of economic power are efficient in their economic conduct, they constitute a political menace. I quote:

> They have within their grasp powers over fields of public well-being and public policy far greater in practice than parliament itself wields in the great majority of its legislation. They can determine the form of our technical development. They can by that means determine the pattern of the national working life and the level of the national livelihood. They can control to a great extent the distribution of purchasing power among classes and groups. They are free, like independent empires, to declare war with other empires at home or abroad, to make peace with them, to make treaties, to enter into alliances. All these things, in ways not obvious to ordinary men at ordinary times, go down to the very roots of national life and our place in the world. Organizations in a position to wield such power, whatever their present motives or the current ideals of those responsible for their policy, present democracy with its greatest problem . . . None of them should be left indefinitely outside the effective grasp of public policy.

I should like now to refer to one of our own supporters of monopoly in this country. This is a Canadian banker. I notice that recently when the great bankers and industrialists gather around to tell the country of the profits they made last year they try to obscure those profits by making an attack on the C.C.F. and on socialism. Such as Mr. MacMillan, who, when announcing a profit of $8,500,000 in British Columbia, had to cover up by making an attack on socialism as though it had been socialism that had pilfered the forests of British Columbia and handed them to a private corporation.

Mr. Gibson (Comox-Alberni): They did not build the pulp mill in British Columbia, either.

Mr. Irvine: No, they would not do that. He is going to encourage the working classes of that province by investing another $8,500,000 and skinning off another crop. He thinks that because he has taken that position his party ought to be elected and he should be permitted to carry on the good work.

The banker to whom I wish to refer made a similar speech. This was at an annual meeting. They had announced their profits and so forth. Now he turns on the C.C.F. He meant what he said to be an attack on the C.C.F. but apparently he was suffering, momentarily at least, from an attack of mental strabismus. In plain language that means "cock-eyed." Although what he said was meant to be a bullet aimed at the C.C.F., he was so cock-eyed that he hit himself and it went through his head apparently without stopping, or hitting anything. Shall I name him? He is the general manager of the Bank of Nova Scotia. I quote:

> Mr. Enman went on to say that the political danger of nationalization overshadowed all others. There is no doubt that government ownership of the banks would place tremendous power at the disposal of the political party which happened to be in office. The fact of enormous power would be there—

I want to pause there for a moment. The fact of that enormous power is there. The fact of that enormous power is recognized and admitted by one of the men who has that power. He knows what he is talking about when he says that the fact of power is there. Let us see what those powers are. He goes on to describe them:

> —power to withhold credit—

I will add there, "As was done through the hungry thirties."

power to interfere with the privacy of personal affairs, power to bring political opponents into line or even to ruin them, power enough indeed to undermine the democratic system and to perpetuate the political control of the party in power. The temptation to use such power would be great, and sooner or later it would be used.

He should know. He did not stop to tell us how greatly he had been tempted to use it, or how often he had used it. He felt it was all right while it was in his hands, but if that power should ever pass into the hands of responsible representatives of the people that would be a tragedy to the banker. He goes on:

It is surely up to the advocates of nationalization to explain just how it is proposed to use such a great concentration of power and, most important of all, how the rights of citizens would be protected in its use and from its abuse.

Mr. Gibson (Comox-Alberni): They would not be.

Mr. Irvine: I agree with the gentleman who wrote these words, that it is up to anyone to explain that who proposes to take that power. I am waiting for him now to explain how he has used that power, whether he has ever used or abused it. I can tell him how he has abused it. We had an investigation into banking some years ago. The records are still available for anyone to examine. We know how they abused that power. It is no wonder that this gentleman, and the institution which he represents and all similar institutions, should be firing their shots of vengeance and hatred at the C.C.F.

There are today a great many people in Canada who are afraid of communism. This government has been taking, and properly so, careful steps to see that those who are communists shall not in any way whatsoever betray to other foreign countries the rights of this country. Everybody commends that. But nothing is said or done about the vast investments of foreign countries in great monopolies in Canada, countries whose policies may be diametrically opposed to the policies of our country. I notice, according to the report of Mr. McGregor, that is one of the characteristics of cartels and monopolies. They carry on in the dark, behind the scenes, in a little economic empire of their own within the domestic economy, doing what they please, sometimes violating the announced policies of the government in power.

I oppose this in the next place because it interferes with the economic and political liberties of the people of this country. If I had the time to do so I would say much more about how they interfere with our political liberty, how their vast concentration of economic power gives them almost enough influence to write the political policies of this nation. I think it is safe to say that to a large extent they do that, no matter which of the two great parties happens to be in power. I am opposed to it because it stands in the way of planning the national economy.

Of course, I know that to talk about that here will be considered very foolish because private enterprise stands for a planless economy. Both the hon. gentlemen to my immediate right, who are in the official opposition, and the government, stand as the champions of a planless economy. They accept the classical economist's washed-out theory of automatic adjustments. Inferentially they ask men and women with their families to trust their lives to the caprice of a system which they admit they neither can control nor want to control. Whether you may be the beneficiary of a boom or the victim of a slump, in either case you are at the mercy of blind economic forces which private enterprise neither can control nor wants to control. An admission of that sort is, to my mind, the gravest materialistic and deterministic type of admission. It is an admission that we are incompetent to control our economic environment.

Let me briefly go through the cycle of the self-correcting classical economist's theory. This is the cycle which has been inscribed by history on our economic lives. We first have to bring a boom to end a slump, and then we bring a slump to end a boom. When we find a slump all around us and we are in a depression, then capital expenditures are increased. At times they are assisted, and sometimes properly so, by the public treasury. These are attempts to increase purchasing power among the consuming public. Prices begin to rise, but without control they not only begin to rise but keep on rising, and by and by we have a boom in prices. When that happens, wages start out to chase prices but never catch up. Because they never catch up, real demand begins to slacken; and, as real demand slackens, drastic deflation sets in. There appears a great slump in the market. There are bankruptcies, particularly in those industries and businesses which are overcapitalized. Unemployment grows, wages drop, and depression touches the bottom.

I cannot stop to describe what these economic facts do to human beings. I do not have time to describe the human misery and suffering which are involved in those cycles of ten to twenty year periods, but that cycle of stupidity, of wealth destruction, of human misery, has been completed eighteen times in 150 years. Now we are rigging up for the next one. It is gradually approaching. I do not know to what depths that depression will reach, but we are in the process. That is the pattern of automatic economic controls of free, private enterprise. They work, of course;

they always work. But the chief thing they work is havoc; and we find stupidity and wanton inflation ultimately corrected by unemployment, want and bankruptcy. If that is what you want, then you have it now. Of course I am not quoting all the evils of the system; I am just giving a few.

But more and more people, not only in this country but throughout the world, are refusing to submit to this hit-or-miss economic philosophy. They are beginning to demand that basic industries must be made responsive to the public they exist to serve. I hold, Mr. Speaker, that it is reasonable, that it is proper, that it is ethical, that it is humane and practical that the natural resources of this country, with all the technical achievements of the centuries, should be used in the public interest. That will not happen by accident; it will not come about merely by wishing it. If that is to happen then monopoly and its automatic control will have to yield to public ownership and a planned objective for the nation.

If it be true that monopolies are here; if it be true that their practices are inimical to social security and democratic government; if it be true—and it is true—that both the government and the official opposition disagree with the view that monopolies should be publicly owned and controlled, then let me ask what is the proposal of either the government or the opposition in respect to this cancer that is eating at the heart of the nation? What proposals have been made? There have been none in four years. The first practice followed by the government in respect to monopolies is to ignore them, to think they are not there. They are never mentioned in the speech from the throne. The leader of the opposition (Mr. Drew) never even referred to them. The next thing is to "Canute" them, as the former Prime Minister, now the hon. member for Glengarry (Mr. Mackenzie King), did last year when he said the prices committee should not have power to do anything about these fellows who might have been charging too much, that it would be only necessary to point it out in public and they would become so ashamed they would go home and lower prices. Well, of course they did not, so that is what I call "Canute-ing" them. They say, "Go back, big tide, and become a nice, gentle little ripple." But tides do not obey.

The next way is to pass legislation, such as the anti-trust laws of the United States of America and the Combines Investigation Act in Canada. These are not only worthless; they are bad legislation. They are worthless because monopoly has grown perhaps faster since the legislation was passed. It never was greater in the United States than it is now; it was never greater in Canada than it is now; yet these pieces of legislation have been in operation, supposedly doing their best. I say it is bad legislation because it is not effective. It is not effective in the sense that you cannot prevent monopolists from making agreements unless you can prove they have done so, and they can make agreements without your being able to prove it. But when you have proven the agreement was made you have still another stickler: what is a fair and reasonable profit? That is a gateway big enough for all the monopolies in Canada to walk through any time they please.

It is also bad legislation because if it were effective it would mean that we were turning back the wheels of progress, trying to divide up these great cartels and monopolies which have been developed—by whom? They have been developed by the most successful free private enterprisers of the nation; and they have developed in that way because they were found to be economical. Trying to force them to divide into innumerable small groups and fight it all out again would be ridiculous. In any case it would simply mean that history would have to repeat itself and the monopolies would have to develop all over again. So we have to face the fact that something must be done about them. We have to handle the monopolies in such a way as to save for the nation all the advantages and all the economies which in the process of industrial development have been revealed to exist in mass production and centralized effort.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Réal Caouette (Pontiac): Mr. Speaker, since last Wednesday I have listened to the various speeches and discussions which have taken place in this chamber. I have noticed that the new saviour of the world, the hon. leader of the opposition (Mr. Drew), is anxious and determined to follow the rules of this house. He does not care who pays for useless discussions as long as his name is placed in *Hansard* and in the press. Since the re-election of Maurice Duplessis in Quebec, it is no exaggeration to say that the hon. leader of the opposition has been presented to the people of that province as a kind of new world's heavyweight champion. If you listen to a radio blue speech, you will become convinced that our Lord Jesus Christ is nobody compared to the great new leader.

If you read the papers in Quebec, you will find large advertisements paid for by the Conservative organization, stating that Mr. Drew is an up-to-date man, that he is the only capable man, that he is the only man that Canada needs. In other words, he is a second world's saviour. All this propaganda may please and convince the hon. gentleman's own friends, but I assure you, Mr. Speaker, that in the province of Quebec it has no importance at all. As was well said yesterday by the Prime Minister, the province of Quebec has an emblem which says, "Je me souviens" meaning "I remember". We in the province of Quebec remember the day when the leader of the opposition accused Quebec of not making a total war effort and not sharing responsibilities during the last war. We also remember the hon. gentleman's opposition to what he called baby bonuses for the province of Quebec. I say that the Conservative party has no chance in the world of succeeding in the province of Quebec.

An hon. Member: How about the hon. member's party?

Mr. Caouette: And I do not think for one moment that he has a single chance in the other provinces of Canada. Following the speech by the leader of the opposition we heard a good political speech—I should say it was a true pre-election speech—from the Prime Minister. This speech by the leader of the government was similar to the speech from the throne. It was an empty speech, an exhibition of words and phrases without meaning. Let me say to you, Mr. Speaker, that the people of Canada are waiting for something else than nice speeches and nice words written in the press. The Prime Minister accused the opposition of presenting one policy in Quebec and another in the other provinces of Canada. He said that the Liberal party has always been truthful to the whole dominion of Canada. This statement is completely false. I want the Liberal party to know that Quebec has an emblem which says "Je me souviens", meaning "I remember".

Mr. Gibson (Hamilton West): What about social credit in Quebec?

Mr. Caouette: My hon. friend does not even know what he is talking about. For twenty-five years the Liberal party has kept in power by its opposition to wars and conscription. For twenty-five years promises have been made to Quebec to the effect that never under a Liberal administration would we participate in a war or in conscription. We will never participate in a European war, claimed all the Liberals during these twenty-five years. Today we remember all that, and by no stretch of the imagination can we say that the Liberals are a bit better than the Conservatives. The two parties are exactly the same. Both are financed from and by the same sources.

An hon. Member: We have not a hat.

Mr. Caouette: Both parties were created by finance to divide the people of Canada. Let us amuse the people of Canada with political parties while finance will take full control of the nation's life. Here is the emblem of all political parties.

I also listened to the speech made by the leader of the C.C.F. party. It is always the same old song: free enterprise is no good; we should socialize this and that; the government should have absolute control over all the human beings in this country of ours. Thanks to free enterprise, Mr. Speaker, in this country we have produced, comparatively speaking, more than has been produced in any other country in the world. Having reached such a great capacity for production, thanks to free enterprise, the problem of today is not one of production. We have production, and we have at our disposal everything required to produce more. This problem was solved several years ago. The problem of today is nothing more or less than that of distribution. Let us distribute to the people the goods of our country.

An hon. Member: What about dividends?

Mr. Caouette: Yesterday we heard from the Prime Minister that money is only a sign representing reality. Social Crediters are so convinced of the truth of that statement that they have asked the government for twenty years—

An hon Member: Where are they?

Mr Caouette: If my hon friend will permit me to tell him where they are, I will say that they are actually with the corpse of Norman Jaques, who died yesterday morning; and I do not think they are to blame for that. Social Crediters are so convinced of the truth of that statement to which I referred that they have asked the government for twenty years to create as many signs as the Canadian people create production. For years and years Social Crediters have been asking the government to use the Bank of Canada for the creation of new currency and credit.

Mr. Beaudry: Are there no printing presses in Val d'Or?

Mr. Caouette: My hon. friend does not even know what "bank" means or what "money" means. He knows what money is, but he does not understand what is meant by money created in favour of the people.

Mr. Beaudry: Nature was not kind enough to me.

Mr. Caouette: Let us go on a debt-free money system. Let us develop this country for the benefit of the Canadian people and not for the gangsters of the present financial set-up. Then and only then will we have peace, social justice, and security with freedom for each and every Canadian. The leader of the Social Credit group has given us a clear picture of this in the speech he made yesterday. I hope it will bear fruit.

Coming to the speech from the throne, may I say we are all agreed that the first concern of government in world affairs is to ensure peace and security; but to ensure peace and security in the world the first concern of government is to ensure peace and security to all the citizens of our country first. Let us give an example to the whole world by establishing peace and security with freedom in Canada. Let us solve the distribution problem in this country. The only way by which we can solve the problem is by the distribution of a national dividend which Social Crediters have been advocating for many years. Let us follow and apply in Canada and in the world social credit philosophy and I assure you; Mr. Speaker, that then we shall ensure peace and security not only in Canada but also in the world.

Mr. Beaudry: Will the hon. member permit me a question? Is the hon. member willing to admit that our administration has been so sound that we are in a position to offer dividends as he suggests? We are quite willing to admit it.

Mr. Caouette: My hon. friend is a charming friend but I think his question is only silly. Let him ask his administration to apply what the former Prime Minister, the right hon. member for Glengarry (Mr. Mackenzie King) told a great meeting in Alberta in 1935, and then apply it today. It has never been done. I shall speak about it in a minute.

Mr. Beaudry: Yes, but it does not answer my question.

Mr. Caouette: The hon. member's question does not require an answer because it is a silly question, and I do not answer silly questions.

In the speech from the throne, Mr. Speaker, I read the following statement:

> Prosperous conditions now prevailing are being reflected in the buoyant level of national revenues; a condition to which due consideration is being given by my ministers in the preparation of forthcoming budgetary proposals.

Where is there prosperity in Canada today?

Mr. Beaudry: Right here.

Mr. Caouette: Yes, you are right; right here in the House of Commons but nowhere else in Canada. Unemployed men are counted in the thousands and thousands all across Canada. There is a shortage of houses. There is actually starvation in Canada in many places, in big cities, for instance, and we are told that we have prosperity in our country. Who is responsible for such statements?

I know that we have prosperity in this House of Commons. I know that the financiers of this country have prosperity, and I know that several thousands of Canadians have no prosperity at all. Our old Canadians have a funny prosperity with a $30-a-month pension. Our cripples also have a strange prosperity with no pension at all. The great majority of Canadians earning less than $2,000 a year also have a funny prosperity, besides paying taxes on their low incomes. The government should not laugh in the people's faces in that way. The government and all hon. members know that we can have prosperity in Canada but we have not got it at this time. Let us go ahead and ensure it to all our population.

I shall continue in French to make some remarks about the program which I received last week from my constituents in Pontiac.

(Translation):

I am glad to take part in this debate on the address in reply to the speech from the throne. In order to give adequate expression to the thoughts and the will of the electors of the constituency of Pontiac whom I have the honour of representing in this house—

Mr. Beaudry: For the last year.

Mr. Caouette: I shall be here for several years more, during which time the hon. member who has just interrupted me will not be sitting in this house. To show him conclusively that he will not be here after the next election, I would point out to him that in his speech he dwelt upon the income tax and various other taxes levied by the government; yet ever since he has been a member of this house, he has voted with the government, thus declaring himself in favour of maintaining those taxes.

His electors will remember that—

Mr. Beaudry: With your permission, Mr. Speaker, and on a question of privilege, I should like to say that under standing order 31, the hon. member cannot be allowed to anticipate—

An hon. Member: A visionary and a prophet!

Mr. Caouette: Mr. Speaker, that is what I heard on coming through the riding represented by my hon. friend.

I received recently copies of resolutions passed at the meeting of the Pontiac County Union of Electors, held in the city of Rouyn:

Whereas democracy, while offering advantages to the people, first imposes responsibilities, such as keeping an eye on public affairs, studying the problems related thereto and submitting to legislators the required solutions.

The officers of the Rouyn-Noranda Union of Electors, gathered in regular meeting this twentieth day of January, 1949, beg you to take the opportunity offered by the coming session to ask for:

1. The setting-up of a crucifix in the House of Commons.

In view of the fact that Canada claims to be a Christian nation, we believe that there will be and that there is no objection to the placing of a crucifix in this house. We should not be ashamed to proclaim our belief, even in this house.

2. The appointment of an ambassador to the Vatican.

A few days ago, on the orders of the day, I asked the reasons for our failure to appoint an ambassador to the Vatican. We have ambassadors to various countries throughout the world, and while many other nations are represented at the Holy See, in Rome, Canada which claims to be a Christian nation has no envoy there. We ask that an ambassador be appointed to the Vatican.

3. Vigorous protests against the arrest of Cardinal Mindszenty.

Once again, we shall probably be told that Canada should not interfere with the domestic affairs of another country. When the question arose of declaring war to safeguard the very existence of that fine country named Poland, never was it said in Canada that we should not intervene in the domestic problems of foreign countries. Well, I believe that the government is now bound to protest most strongly against the arrest of the primate of Hungary.

4. That the government put a stop to its present policy of mass immigration.

Mr. Speaker, in the constituency which I have the honour to represent in this house, there have come, for many months, hundreds and hundreds of immigrants labelled "D.P.'s from Europe".

In many of our mines, these immigrants have replaced French-Canadians.

Some hon. Members: Name them.

Mr. Caouette: We will name them in due course.

Mr. Beaudry: Were they brought in by force or in answer to requests from companies?

Mr. Caouette: They have been requested by the companies. That is why I placed the question on the order paper. Let us put a stop to mass immigration, which aims to replace our Canadian people. I believe mass immigration is being carried on here and there in Canada and in many places. Canadians are faced with an untenable situation and unbearable conditions.

I read in *La Terre de chez nous* of November 24, an article headed thus:

To be confirmed or denied: In some countries, when danger threatens, and there are brawls, riots or a state of emergency, martial law is proclaimed. Has Canada reached that stage? Are army officials and their friends so alarmed by persistent rumours of war that they find it necessary to use force to compel Canadian youths to enlist. Such appears to be the view expressed by an editorial in the *Front Ouvrier*, of Montreal. In 1939-40, hosts of volunteers were secured in Canada by means of service-pay offered the weary, hungry, unemployed. Are men being thrown out of work in order to repeat the process? But here is more from the newspaper I mentioned: "Young men are being driven into the army. An item from the Eastern Townships states that in four days 125 young men were let out in Asbestos; 60 on the first day; 40 the next day; 20 and 5 on the third and fourth days respectively.

In Mégantic, 250 young men were laid off during a very short time.

We are told that in Sherbrooke, young men were being refused employment in October. There too, it seems, young men are being advised to enlist.

After reporting those facts, the *Front Ouvrier* deems it should conclude that war propaganda is anything but unrelated to the dismissals mentioned. That statement is so serious that the federal authorities should deny it. . . or confirm it. True, to confirm it it has but to remain silent. The item, the first part of which I have already quoted, concludes as follows:

"One can readily see that some sort of war propaganda is responsible for all this. There is no question of war yet in parliament, but our young men are already compelled to live on a war footing.

This year alone, the government is spending $280 million on war. Enough to see 70,000 young men through university each year, together with a $60 monthly allowance. With that much money we could build a half-million dollar technical school in every constituency in Canada; 125,000 young boys and girls could learn a trade and even receive enough money to live comfortably.

Our young people have the right to object to being disposed of without the people's representatives being asked first to express their views on the matter.

Some sort of disguised conscription is still in effect in Canada, in the province of Quebec and more particularly in the constituency I have the honour of representing.

Mr. Speaker, we shall protest against mass immigration of young and older people as long as all Canadians living in Canada do not enjoy security and until freedom and social justice are guaranteed one and all.

That the Canadian government re-establish all veterans in civilian life as quickly as possible while fully respecting the freedom of choice of everyone concerned.

I need not insist further. Obviously the government knows that in Canada thousands of veterans have not yet been able to re-establish themselves permanently and have not received the help they had a right to expect from federal authorities in Ottawa.

That the Canadian government put an end at once to every form of disguised conscription and agree never to resort to such a course in either peacetime or wartime.

We do not want conscription under any form whatsoever; let the authorities resort to persuasion.

7. "That the government increase family allowances and do away with decreasing rates."

An hon. Member: Hear, hear!

Mr. Caouette: I noted with pleasure that the speech from the throne mentioned family allowances. Apparently the decreasing rates are to be abolished during the present session. That is not enough; we should also increase the allowances for each and every child in this country.

8. "That the government increase old age pensions and lower the age limit."

We ask for a $60 monthly pension at the age of sixty. That would be only fair to our older citizens. It is also fully in keeping with Christian principles to ask for a better pension, a $60 monthly pension, payable at the age of sixty.

9. "That the government carry out the monetary reform advocated by the Social Credit party and distribute to each and every one a dividend commensurate with the vast economic possibilities of our country."

This year I take the liberty of again drawing the attention of the house to what Canada's former prime minister (Mr. Mackenzie King) said in 1935:

"When a nation has no longer control over its money and its credit, it matters little who makes the laws in that country. When usury is introduced in the administration it can ruin any country. Until the government regains control over money and credit and until such control is recognized as its most evident and sacred responsibility, it is useless to speak of democracy and of the sovereignty of parliament."

That sentence was spoken during a public address delivered by the former prime minister (Mr. Mackenzie King) in 1935. Since then, the government have never done anything to comply with the principles they uttered, to recover that most sacred responsibility of controlling money and credit and regain the privilege conceded to Canadian financiers and bankers.

Mr. Speaker, let us render unto parliament its sovereignty, and thus recognize the principle put forth by the then prime minister regarding "its most evident and sacred responsibility" to control money and credit, we would then have but little difficulty in applying the social credit technique, the economic theory advocated here since 1935 by Social Credit supporters all over the country.

10. "That the government immediately abolish taxation on incomes of less than $3,000 per annum."

This is what we advocated last year, and for the last three years. In fact, we want all incomes under $3,000 per annum to be tax free. That is why I repeat this year to all members of the house that we, members of this house, should be allowed income tax exemption on $3,500 if married and up to $2,750 if single. And if such exemptions are good for us, they should be no less so for our constituents. I feel it only fair and reasonable that all Canadians earning less than $3,000 a year should not have to pay any income tax.

11. "That the Post Office Department give us immediate house to house delivery in the towns of Rouyn and Noranda, and rural delivery in the outlying districts of the constituency."

This request has been before the federal authorities for three years now. Are they awaiting the next election to promise house to house delivery in the twin towns of Rouyn and Noranda?

An hon. Member: You have to know the ropes for that.

Mr. Caouette: Perhaps, and that is precisely the attitude of all Liberals. They would have the good people of Val d'Or believe that the Liberal party gives freely, handsomely, while it stops at electoral promises. It is now being suggested to the people of Val d'Or that, thanks to Liberal patronage, to the plodding endeavours of patronage holders, a post office is to be built in Val d'Or. It is even being claimed that the post office was obtained by the hon. member for Chapleau (Mr. David Gourd). What sort of honesty is that, Mr. Speaker?—spending public funds on Liberal propaganda in this country.

Social Crediters, Conservatives and Liberals alike pay taxes in every part of Canada. Whenever we claim anything for the people, invariably some Liberal member or even a

Liberal minister comes up and states that it is he who donates such and such a thing—

An hon. Member: Go tell that to Duplessis.

Mr. Caouette: In Pontiac county, we do not need other members to look after matters of interest to that county. As for claiming that the member for Chapleau has secured anything for Pontiac, he should first begin by obtaining things for the constituency of Chapleau, because people are asking for some in his own constituency and nothing is being done.

I have here a letter from Senneterre, in the constituency of Chapleau—

Mr. Gour (Russell): Mr. Chairman—

Mr. Caouette:

Friday, January 14, 1949, will long be remembered by the people of Senneterre—

Mr. Gour (Russell): Mr. Speaker, on a question of privilege, may I ask a question of the hon. member?

Mr. Caouette: Go ahead, don't be shy.

Mr. Gour (Russell): Mr. Chairman, if the hon. member for Chapleau is able to obtain much for his own constituency and for the neighbouring constituency, it is only because he creditably represents them. Furthermore, when he speaks in the house, he does it intelligently and not as the hon. member has just done.

Mr. Caouette: I understand that the hon. member for Russell (Mr. Gour) is rather touchy. He recently advised the electors of Russell to make joint representations in connection with oleomargarine, asking them to bring pressure to bear upon Mr. Duplessis, but apparently he is not ready to bring similar pressure to bear upon the dominion government. However, let the hon. member set his mind at rest; I have no intention—

Mr. Gour (Russell): Mr. Speaker, it was Mr. Kennedy—

Mr. Caouette: I have no lesson to take from the hon. member for Russell; rather, he is the one who needs lessons. For a long time he has not succeeded in—

Mr. Speaker: Hon. members realize that it is the duty of the Speaker to preserve decorum and dignity in this house.

Some hon. Members: Hear, hear.

[Mr. Caouette.]

Mr. Speaker: I would ask the hon. member who has the floor to help the Speaker maintain that decorum and dignity in addressing himself to the chair and not to the other members of this house. As regards the hon. member for Russell (Mr. Gour) and others, I wish to point out to them the fact that when a member has the floor, no one may interrupt him without his consent.

Mr. Gour (Russell): I observed that rule.

Mr. Caouette: I will accede to your request with pleasure and thus uphold the dignity of this house.

On January 14 of this year, the hon. member for Chapleau (Mr. Gourd) spoke at a meeting held at Senneterre, in his constituency. His electors had asked him to look into the matter of electricity for their parish, to get them a new post office and, finally to obtain an Indian school. According to the report which I got from Senneterre, the hon. member for Chapleau answered that he could do absolutely nothing. To have a post office, he said, you need at least $10,000 revenue whereas Senneterre only produces $7,500. As for the Indian school, he advised them to see their parish priest and the diocesan authorities. He declared himself unable to do anything at all about electricity. The report adds:

The hon. member for Chapleau is very kind to the cities of Pontiac county, but very "mean" to his own constituents. He goes so far as to say "a member of parliament has to be a diplomat," a remark he underscores with a loud guffaw. He even goes further and says haughtily that he does not need to be a member of parliament to make a living.

Mr. Speaker, this afternoon I listened to the hon. member for Wright (Mr. Raymond) talking about peace and happiness, war, conscription . . .

Mr. Gagnon: That was yesterday.

Mr. Caouette: I beg your pardon; it was indeed yesterday. He was saying that Canada could not remain neutral, and so on. He criticized newspapers that advocate neutrality, as well as Canadian citizens who disapprove of war and conscription and want Canada to stay neutral.

It is not a question of Canada staying neutral if the country is attacked. Of course Canadians, in Quebec or in any other province, will not hesitate to defend themselves if Canada should be attacked. But that does not warrant the promoting of wars in the

world or the issuing of war propaganda and we are surely not justified in taking advantage of that fact to have the Canadian electors believe that war is inevitable.

I wish to point out that during the last world war, Ireland—which is located close to England—remained neutral and Ireland was not flouted by the world for that reason. In fact, it has now secured its republic status and regained its complete independence. Today, Ireland is given the same treatment as Canada, England and the United States. Ireland is absolutely independent and the day Canada secures its independence many thorns will be removed from our fingers and our feet, and we shall have regained the liberty to which we are entitled.

Mr. Speaker, peace and happiness cannot be obtained through war. When we are told that our nation must defend itself if attacked, we understand this and need not be told repeatedly. His Holiness Pope Pius XII never said: "If we want peace, prepare for war" but, "If you want peace, prepare for peace." If you organize war, you will have war. Whatsoever a man sows, that shall he also reap. When we sow potatoes, we surely do not reap green peas.

Mr. Speaker, we, the Union of Electors of the province of Quebec, are in favour of neutrality. We are against war propaganda and against conscription in all its forms, whether disguised or open. If it is claimed that the war aims are valid or logical, we should have the necessary proof, and in that event we shall immediately recognize the logic of a declaration of war.

If the Union of Electors is against war in the province of Quebec, if it is against conscription and in favour of neutrality it is because it has at heart the best interests of the whole Canadian people. Peace and happiness are not brought about by slaughter. The world will not secure them if the nations fight each other, as happened in the last world war, or if Christian forces are arrayed one against the other for the safeguarding of peace.

Mr. Speaker, such rumours of conscription and war which are going around throughout Canada should stop as soon as possible and the talk should rather be about the establishment of an equitable and enduring peace. It should be about the establishment of social justice and the guaranteeing to all citizens the security and freedom to which they are entitled, through the application of the principles of the great social credit doctrine.

Some hon. Members: Hear, hear.

(*Text*):

Mr. Howard C. Green (Vancouver South): Mr. Speaker, at the outset of my remarks this evening I must confess that I propose to deal with a hodgepodge of subjects, some five in number. They will be atomic energy, veterans affairs, the need for a Canadian policy in the Pacific, the need for clarification of the government's steel policy, and the Canadian merchant marine and our shipbuilding industry. You will realize that they are not subjects which are connected, but the reason I bring them up this evening is that I hope the government will take action on each one of these questions before the session is very much older. I fear that if there is delay in placing them before the house there may be no action forthcoming from the government during the earlier days of the session. In other words, there is an element of urgency about all these questions.

First of all may I deal with atomic energy. In the session of 1946 the House of Commons passed an act which set up the atomic energy control board. Hon. members will recall that very wide powers were given to that board. They will also recall that a great deal of money has been voted for the work of the board, and a great deal of money is to be voted each year. Furthermore it is well for us to remember that atomic energy may be of the utmost importance in the national life of Canada, in the development of our nation. It may be the greatest factor in the development of Canada in the years that lie ahead.

When the bill was brought in in 1946 I suggested to the minister, who is now the Minister of Trade and Commerce (Mr. Howe), that there should be set up in Canada a watchdog committee which would keep in touch with the activities of the atomic energy control board. That stand was approved by the leaders of the C.C.F. and Social Credit parties. At the time the minister made a statement, which is to be found at page 2401 of *Hansard* of 1946, and reads as follows:

> I dare say that, as developments proceed, it may be desirable to have committees, and perhaps a standing committee of this house on problems of atomic energy may be warranted; I do not think that is so at the moment. We should obtain more experience in the work of atomic energy before a standing committee is established.

That was the minister's position in 1946. At that time we pointed out to him that in the United States, where they had set up a similar board known as the atomic energy commission, they had also provided for three watchdog committees. One of those committees is known as a general advisory committee, and has in its membership very distinguished scientists and manufacturers. The second committee is a military liaison committee, and has some of the leading men from the various forces of the United States. The third is a congressional joint committee on atomic energy.

I have in my hand the United States government manual for 1948. If hon. members care to look at this manual they will find, beginning at page 334, a description of the set-up in the United States. At page 336 we find this statement concerning the functions of the congressional committee.

> The congressional joint committee on atomic energy, composed of nine members of the Senate and nine members of the House of Representatives—

By the way, that committee includes such outstanding senators as Senator Vandenberg, Senator Bricker, and Senator Tom Connally.

> —makes continuing studies of the activities of the atomic energy commission and of problems relating to the development, use, and control of atomic energy. The commission keeps the joint committee fully and currently informed on the activities of the commission.

Last year I again suggested to the minister the time had come to set up a joint committee of the Senate and the House of Commons on this question of atomic energy. At that time he was a little more kindly disposed towards the suggestion. On June 19, at page 5531 of *Hansard,* he said:

> —but if the house at the next session wished to appoint a committee on atomic energy and bring experts before that committee to discuss these matters it might be appropriate to do so.

Then he went on to say he would give serious consideration to the suggestion during the interval between the two sessions. I suggest to the minister this evening, Mr. Speaker, that at this present session there should be set up such a joint committee. Just this morning we find on the front page of the Montreal *Gazette* an article from Washington headed "More powerful A-bombs reported by United States atom energy commission." Then it goes on to outline the report that has been made by Mr. David Lilienthal, the chairman of their atomic energy commission. I think his remarks are very much worth while. He is quoted as saying at a press conference that—

> —the present report represents a "turning point" towards the increased release of information because, he says, secrecy carried to extremes "could actually blacken out democracy."

In Canada's dealings with atomic energy we are in that danger. We are in the position that no one in this house except the minister knows anything at all about the development of atomic energy in this country or what possibilities there may be in the development of that energy for the people of this nation. That, I submit, is a thoroughly bad thing in a country where we have democratic government. Some responsibility should be placed upon parliament with regard to this question. So I do appeal to the minister tonight to set up such a committee during the present session. I think the matter could be dealt with in a non-partisan way, and the results would be very beneficial not only to the house but also to the country at large.

Mr. Howe: Would the hon. gentleman like me to say a word in reply now? The government would have no objection to such a committee. I must confess that the only hon. member who has discussed the matter and indicated an interest in it is my hon. friend.

Mr. Green: No; the leaders of the C.C.F. and Social Credit parties.

Mr. Howe: I dare say there is more interest than has been disclosed here; but I have discussed the matter with those responsible for the operation, and we all think it would be very desirable to have more information about Canada's work on atomic energy available to hon. members. So I shall be glad to co-operate with opposition parties in working out a committee.

Mr. Green: Thank you very much. I only hope I may have equally good luck with my four other suggestions.

The second subject I wish to bring before the house this evening is veterans affairs. That matter has not rated one word in the speech from the throne. Hon. members may read through that long throne speech and they will not find one word concerning veterans affairs; yet the fighting has been over for only about three years. Then, to make the situation worse, on Friday last the Minister of Veterans Affairs (Mr. Gregg) was asked in the house whether a special committee would be set up this session, and his reply was:

> —the minister and the government have given consideration to the matter, and it has been decided not to recommend the setting up of a committee this session.

This means that no legislation dealing with veterans affairs is in contemplation, which means in turn that the only opportunity to discuss veterans affairs will be on the estimates of that department. And if the same practice is followed this session that has been followed in other sessions, those estimates

will be brought down a day or two before the house prorogues next June or July or August, and there will be no opportunity to deal adequately with the questions which mean so much to the veterans. In other words, if the minister's decision is final this session of 1949 holds very little hope for the veterans of Canada.

May I point out that much new veterans legislation was placed on the statute books within the last two or three years, and that many of the problems affecting the veterans are still unsolved. Rehabilitation is still going on, and some new difficulties are cropping up in that connection. There are also difficulties in connection with the Veterans Land Act and many other phases of rehabilitation and with the fair treatment of the men who saved this country just a few years ago. Actually, Mr. Speaker, the veterans of Canada are the men who should get first consideration in this house. Their problems should be given priority; yet here we have not a word said about them and no committee to be set up, which I am afraid means that nothing is to be done.

Take, for example, the war veterans' allowances. Some increases were granted last year; but I may tell the minister that as far as British Columbia is concerned, and I judge also as far as veterans organizations right across Canada are concerned, there is the utmost dissatisfaction with the increases provided last year and the strongest possible demand for further increases. Take the married men in receipt of the burnt-out pension. They were given an increase of only $10 last session, the same as the single men. The whole allowance is on such a basis that it does not meet the needs of the veterans, and certainly something should be done about it at this session. Another very bad feature is the fact that the imperials cannot establish eligibility for the war veterans allowance; and the men who served in Great Britain during the first war are in the same position.

Another serious situation arises from the fact that the benefit of the doubt clause is not yet being interpreted to give the soldier the benefit to which this parliament said he was entitled. There was an amendment last year, but I have seen a decision by the pension commission just within the last week—in fact I received word since coming to Ottawa—which simply does not give the veteran the benefit of the doubt, and I believe something must be done to remedy that situation. Another serious question is the practice of ruling that men are suffering from a pre-enlistment condition. It seems that if any trace can be found of some illness suffered by a man before enlistment, that is dragged out and used to establish that he is suffering from a pre-enlistment condition. In this connection also I have run across some unfair decisions; and sooner or later we must get legislation which will provide that where a man was taken into the service as fit, passed his examinations, and then was discharged as unfit after service, the state must show that such deterioration was not due to service, and failing that must give the man a pension. I might give many more instances, but I shall mention only the men of the merchant navy. They are still the forgotten men of the last war. In my judgment they are getting a dirty, shabby deal under the present legislation, and amendments to the veterans legislation should be made to provide that men of the merchant navy will be fairly treated.

I mention these different problems simply to support my demand that a special parliamentary committee be set up at this session. Such a committee would have a great effect. It would hear representations from the soldier organizations; and by the way those representations are always worth while, always carefully worked out and well presented. I think such a committee would have the effect of bringing about the enactment of beneficial legislation. Those who served on the special committee last year will remember that the government changed its mind twice about the amount by which pensions should be increased. We had the first statement by the Prime Minister in December of 1947. Then there was a change. I hold in my hand a sheet which was distributed by the Minister of Veterans Affairs in the special committee on April 18, 1948, which contains this paragraph:

> Regarding disability pensions, the government cannot see its way clear at this session of parliament to go further than their present proposal, which is now before you.

This was the second proposal.

> This proposal represents an increase . . .

And so on. The minister nearly got away with that; the committee nearly accepted that proposal and went on to deal with other questions, but fortunately it did not do so. As a result of the activities of that committee the government came out on May 11—I have in my hand the press clipping of May 11—with a third increase; and as the reporter said:

> It was the third time this session that the government announced an upward revision in the pension scale and possibly the first time in Canadian parliamentary history that a government has changed its mind that often in one session.

The change was made only because of the pressure brought to bear by the special committee on veterans affairs, and I submit to the minister that it will be a tragedy if a special committee is not set up during the present session.

The third subject has to do with the new Secretary of State for External Affairs (Mr. Pearson). I hope he also will accept my suggestion. It is that there is a need for a Canadian policy in the Pacific at the present time. Nobody knows our policy with regard to what is going on around that ocean. The government are extremely busy about the Atlantic pact. I sometimes think they are so busy looking south to Washington to see what the Americans want done that they have not time to look out west to see what is going on in the Pacific. But the happenings around the Pacific ocean are of the utmost concern to the people of British Columbia who live on the Pacific slope; and Canada as a nation is vitally interested in what is going on around that ocean. At this moment there is an urgency about these questions, for at least two reasons and probably for many more. First of all, on January 14 we had a press dispatch from Ottawa and Washington printed in one of the Vancouver papers. The heading reads as follows, "Pacific countries to join vast bloc." Then it goes on to say that there is to be a history-making, southern hemisphere security alliance between British commonwealth countries, and it lists the United Kingdom, South Africa, Australia, New Zealand and possibly India, Pakistan, Ceylon and Malaya. The article also says:

> Announcement of the new alliance, it is thought, will be timed just before the signing of the north Atlantic alliance, scheduled for early February.

If there is any truth in this article, there is urgency about this question. The article goes on to say that Canada will give the pact its blessing but that she is not greatly interested in joining. The article also says:

> Politically, it is felt an attempt to organize the commonwealth as a defensible unit might be disturbing to both the United States and the western union.

I would point out to the Secretary of State for External Affairs that Canada has the closest of ties with Australia and New Zealand in particular, and with South Africa. We have not only ties of trade, but we have planes flying into Vancouver only three or four days out of Australia. We now have the passenger ship service to Australia resumed. We are greatly interested in what goes on in those sister dominions. We had young Australian airmen going through Vancouver when they came here to train under the British commonwealth air training plan. There is a close tie between the Pacific coast of Canada and the British nations out in the Pacific. What is happening is that trade is falling off. I have here in my hand *Foreign Trade*, a publication of the Department of Trade and Commerce, for January 29. It points out that there has been a marked decline in Canadian trade with Australia and New Zealand. We are just drifting apart. If a regional pact is to be set up for the Pacific, I urge that Canada should become a full partner in that pact. We have our dead lying over there in Hong Kong. We have taken a most active part in the Pacific in the days that are gone, and we must not turn our backs on the Pacific at this time.

There is another reason why we in Canada need a Pacific policy, namely, the happenings in China and Japan. Canada is a member of the Far Eastern Commission. I was greatly interested to read the statement made by James F. Byrnes, secretary of state in the United States, when he outlined to the members of the Far Eastern Commission back in 1946 just what its functions were. I do not suppose that half a dozen members in this house tonight realize that Canada is a member of that commission. Here is what Mr. Byrnes said that commission should do:

> "Peace in the Pacific," he said, "is an essential cornerstone to a stable world structure. The guidance of Japan to a position of peaceful association with other nations is therefore a task of major responsibility. That responsibility now belongs to you of the Far Eastern Commission."

And Canada is one of the members of that commission. Perhaps the present Secretary of State for External Affairs was our representative when this speech was made. The quotation continues:

> "The terms of reference agreed to last December in Moscow placed the final and ultimate responsibility for formulating the policies and principles upon which the peace and security of the Pacific may well be based, in your hands."

Things are not going so well in the Pacific. There is serious trouble in China. In the last edition of "U.S. News and World Report," January 28, 1949, I was interested to see an article entitled, "Why U.S. is failing in Asia". It goes on to point out that the United States is getting into grave trouble in the east because of the policy she is following in Japan. The article says:

> Hostility toward the U.S. has intensified throughout Asia during the last year or so because of the trend of American policy in Japan. Chinese of all factions fear Japan is being restored to war-making strength by the U.S. The correspondent, in one week, heard this fear expressed by a premier, a business man, a labour leader, a newspaper man and a banker. All feel that the attempt to build a strong Japan in a chaotic Orient is tending to preserve the power of the "old gang" that plotted and ran the war.

Further on the article continues:

> Most Asiatics appreciate America's concern regarding Russia. What worries them is a growing suspicion that the U.S., in a desire to convert Japan into a bulwark against Russia, is neglecting the democratization of the former enemy. They are convinced that Japan, while it may emerge strong, quite probably will not be democratic.

The Department of External Affairs of Canada should have some views on this question, and the House of Commons is entitled to know those views. I ask for an announcement of policy by the minister. I remind him that the Pacific may be far more dangerous than the Atlantic for Canada in the years that lie ahead.

I am sorry I have lost the Minister of Trade and Commerce (Mr. Howe). This really concerns him. The fourth subject is this. I submit that there is need for a clarification of the government's policy on steel. When we got the Abbott austerity program in December 1947 we all quickly found that one of the main reasons for our United States dollar troubles was the fact that we imported so much iron and steel from that country.

Mr. Abbott: Among other things.

Mr. Green: I have it here, if the minister wishes to see it. I have a long advertisement, put in the paper under his authority, which listed, as the four main commodities which caused that shortage, coal, oil, cotton and steel. Quite evidently the government is alarmed over the shortage of steel. It is dealt with in the speech from the throne. The Prime Minister (Mr. St. Laurent) also dealt with it in his speech. I understand that the United States authorities have cut off a proportion of our imports. According to the Prime Minister, in addition to that, the government's defence plans have greatly increased the demands for steel. He gave the great shortage of steel as the reason for wishing to continue steel control.

The speech from the throne did not give any details of the steel plan, but the Minister of Trade and Commerce gave a statement to the press which appeared in the Montreal *Gazette* of January 28, just last Friday. The heading reads as follows:

"Ottawa to share fifty-fifty steel plant assistance" Howe tells parliament.

The minister did not tell parliament. He told the press.

Mr. Abbott: That is the *Gazette*.

Mr. Green: The minister thinks the *Gazette* is always wrong, does he?

Mr. Abbott: Well, not always.

Mr. Green: There is a subheading which reads as follows: "Sky is the limit." The article refers to three companies, the Dominion Steel and Coal Corporation of Sydney, Nova Scotia, the Algoma Steel Corporation of Sault Ste. Marie, Ontario, and the Steel Company of Canada at Hamilton, Ontario. He apparently told the press that there would be no ceilings placed on the government's loan to the steel industry. He is quoted as having said:

We will go as far as the companies are prepared to go.

Mr. Howe: May I explain? I do not want to interrupt the hon. member, but he said several times that I talked to the press. I did not talk to the press. I talked to two or three labour men who came here from Sydney to discuss the matter with me, and they talked to the press.

Mr. Green: My complaint is that the minister should have talked to parliament. This was an important statement, and it should have been given to parliament. However, we shall pass that over for the time being.

You will note, Mr. Speaker, that there is no reference in this statement to the production of steel in any other part of Canada. We are much interested in this question on the west coast. I would point out to hon. members what has been happening there with regard to the production of steel. At the present time this government is allowing 50,000 tons of iron ore to be shipped out of British Columbia to Wenatchee, Washington, to be made into steel, and that has been done against the wishes of the provincial government. Furthermore, permission was given to ship large quantities of coal, including coking coal from British Columbia to Japan. In addition the government has been paying a subsidy of $10 a ton on scrap metal shipped from British Columbia to the plants in eastern Canada. That scrap could be used in British Columbia. In that province we now have an electric furnace, and by the way, I hope the minister will not be upset by the statements of a shortage of electric power in British Columbia. According to an article in the *Gazette* this morning, it is caused by the lack of rain. The minister is an expert on whom to blame for lack of rain.

Mr. Howe: It is not caused by a lack of installed capacity.

Mr. Green: Perhaps he can tell us who caused the lack of rain in British Columbia.

Mr. Casselman: George Drew, of course.

Mr. Howe: I can tell you who caused the lack of installed capacity in Ontario.

Mr. Green: On the west coast, we now have a rolling mill, equipped with an electric furnace, capable of producing a thousand tons of pig iron per month from this scrap metal. Between the requirements of that plant and of the foundries, I believe that all the scrap metal produced in British Columbia could be used there without being shipped across the country several thousand miles at the expense of the taxpayers of Canada. In addition, iron ore could be obtained in British Columbia with which to operate an electric smelter. There are iron ore deposits at Quinsam Lake on Vancouver island; it is from these deposits

that 50,000 tons are to be shipped to Wenatchee. Other deposits are at Zeballos on Vancouver island, on Texada island, which is near Powell River, and there is a very large deposit of iron ore in the tailings from the mill of the great Sullivan mine at Kimberley. I suggest to the minister that British Columbia could make low-grade steel. I do not think that that fact can be questioned.

I am told that the cost of setting up an electric furnace would be about $2,500,000, and that it would produce 100 tons of pig iron a day or about 30,000 tons a year. Therefore a steel industry could be established on the west coast at the present time. Everybody is in favour of it. Labour is calling for it and so are the business interests. There is a market there for the product. There has been a huge industrial development in the west coast province. The area of the lower mainland of British Columbia is now the second largest industrial district in Canada, the first being the district between Montreal and Windsor.

The British Columbia government has on the statute books legislation under which it can pay $3 a ton for pig iron produced from British Columbia ore up to a total of $2,000,000. The field there is ready for the establishment of a steel industry which could serve British Columbia, Alberta and Saskatchewan with exports from the Pacific coast. It would cut down the demands for United States exchange. There is no reason why the people of western Canada should have to pay to have their steel hauled across Canada. I have no doubt that the railways and the eastern steel companies are not very keen to see a steel industry established on the coast; however, they should not be allowed to influence the decision.

There is also the fact that there is great value in scattering steel plants across the country. Just a week or so ago we had the report of a statement by Mr. H. J. Carmichael, chairman of the Canadian industrial defence board, to the effect that Canada was planning to put plants underground. If we can put plants underground we certainly are able to spread out key industries such as these steel plants.

In the United States they have quite large steel industries on the west coast. I hold in my hand an article published in the Evening *Citizen* of November 26, 1948. It shows a production in Washington state of 347,000 tons of raw steel a year; Oregon, 66,000; California, over 2,000,000; Utah, over 1,000,000, and Colorado over 1,000,000. So that in the United States they have spread out their steel industries to the west coast.

[Mr. Green.]

Leadership is needed by the government. It has steel control, and nothing can be done unless it gives the lead. I submit the west coast is entitled to a fair proportion of this $50 million to be spent to increase production of basic steel. I ask for a statement from the Minister of Trade and Commerce (Mr. Howe) with regard to plans for the commencement of a steel industry on the west coast, and also with respect to a national steel policy.

For example, have we any commitments to the United States concerning iron ore to be mined in Ungava or Labrador, or is that ore to be smelted in Canada? The house should know what the government has in mind with respect to that ore. Then, how long does the government anticipate this heavy demand for steel will continue? Another question is as to whether the government intends to support other commodities necessary for the manufacture of steel—and I am referring to coal, limestone and other materials entering into the manufacture of this important product. Are they to be included in its plans for the increase in our production of basic steel?

Then, I suggest we are entitled to know the attitude of the present producers of steel. Apparently there have been doubts in the minds of some of them as to whether they will accept the government's plan. So much for steel.

My final important question is the position of the Canadian merchant marine and our shipbuilding industry. Mention was made of this yesterday and today by the hon. member for Cape Breton South (Mr. Gillis), who always voices words of wisdom on that subject—as he does on many other subjects.

May I point out that throughout Canadians have been a maritime race. That was true of the settlers on the St. Lawrence, and it has been true of the men who have sailed the great lakes for generations. It is true of course of the eastern maritime provinces, where at one time we had the finest shipbuilding industry in the world. In the old days of wooden ships they led the whole world not only in the building of ships but also in sailing them. The same is true of the west coast. Our shipping must always be of importance to us, not only for the reasons I have stated but also because of the large part played by export trade in our national life.

During the last war we developed great skill both on the seas and in the shipyards, with the result that at the end of the war we had considerable shipping. I have here a report of the Canadian maritime commission for the period ending March 31, 1948, which shows that by 1947 we had a merchant fleet of 153 ships totalling 983,000 gross tons; and

a further 80 ships totalling about 560,000 gross tons were on charter to the United Kingdom. It also shows that we had 17 large shipyards and 16,000 men working in those yards.

This commission was set up in 1947 to advise the government on shipping and shipbuilding. Some of us pointed out at that time that the act should have included a statement of policy by the government on those two questions, just as the legislation in the United States does. There we find, right in the act setting up the commission, the policy of the government with respect to shipbuilding and shipping. But Canada did not do that. The Minister of Trade and Commerce (Mr. Howe) brought in one of his usual frame-work bills, with just enough to hold it together, and no details. I think he was quite wrong in not announcing a policy.

Mr. Howe: The Minister of Trade and Commerce did not bring in a bill at all; the Minister of Transport (Mr. Chevrier) brought it in.

Mr. Green: The Minister of Transport may have brought it in; but the Minister of Trade and Commerce was the father of the bill, and he put it through—just as he has fathered in this house so many other things from many departments.

In 1949 we find ourselves in a position where many of the ships are being sold. As recently as the month of January of this year a dispatch in a west coast paper stated, "B.C. ships sold for $3 million."

Mr. Howe: Who sold the ships?

Mr. Green: It reports that five of the lake ships have been sold to foreign flags.

Mr. Howe: Who sold them?

Mr. Green: The reason given for the sale of these ships is that they are not able to compete with ships of faster speeds. That is the picture of what is going on. We pointed out many years ago that Canada should be building some of these faster cargo freighters, but at that time he laughed and scoffed at the idea. He said that these slow boats were good enough, that we shipped principally grain, lumber and bulk products, and that we did not need faster ships.

Now the shipping companies who got the Canadian merchant marine after the war are selling their ships because they are too slow, and because we need modern cargo vessels.

Mr. Deputy Speaker: Order. I would inform the hon. member that his time has expired.

Mr. Green: I allowed the Minister of Trade and Commerce to make a statement in the middle of my speech.

Some hon. Members: Go on.

Mr. Green: I shall be only about five minutes more, if I might be permitted to conclude what I have to say on this subject. Shipyards are becoming idle. In Vancouver, I believe, the numbers employed in shipyards have fallen from a total of something more than 25,000 during the war, to only 750. Seamen are losing their jobs.

After the few remarks I made in the house on Friday about merchant shipping, I received an air mail letter from a father in Vancouver whose boy has served five years in the Canadian merchant marine. That boy has a splendid record of service, and is taking a course in navigation at the present time. A letter from him to his father, dated at Baltimore, January 20, contains this paragraph:

> We sure got a lot of depressing news here. The Canadian companies are selling their ships, and no more jobs. There is a ship with the Canadian flag at the next dock, she has English officers and an Indian crew, the pay and conditions are deplorable. I think myself there will not be one Canadian crew in one year; so I am getting out, and going to New Zealand.

Time is precious in this matter; yet the government has no policy. I suggest that without further delay a construction program is needed. Modern dry vessels and modern tankers should be built. Canada has built them for other governments in the last year or two, but not one has been built by Canada for use in the Canadian merchant marine.

I suggest that 50 per cent or more of our exports should be carried in Canadian bottoms; that there should be a stipulation that annual overhaul of Canadian ships must be done in Canadian yards. We were told on the coast about Canadian ships having their annual overhaul in Japanese yards. With that sort of thing going on we can never build a Canadian merchant marine. There should be restrictions in connection with our coastal trade, and it may be necessary to have some provision for government subsidies.

Furthermore fair treatment must be given to Canadian merchant seamen. I said earlier in my remarks what I thought about the treatment meted out to Canadian merchant seamen who served during the war. We will never build up a merchant marine until we treat the merchant seamen right. For example, at this moment there is no labour representative on the Canadian maritime commission, although we were told there would be one.

Suppose we should have this war about which the government seems to be worrying so much. Then the merchant marine will once more be of the utmost importance.

Just to sum up on this question I say that a definite policy is needed, and needed quickly.

Those are the five subjects which I place before the government for consideration. I

have nothing further to say, but I do hope that each one of these subjects, apart from the one upon which the Minister of Trade and Commerce (Mr. Howe) has yielded or acted already, will be given consideration quickly by the government.

Mr. W. E. Harris (Parliamentary Assistant to the Prime Minister): Mr. Speaker, in view of the incorrect impression that might be created as to what I said at Brantford ten days ago, I should like to make it clear that, far from suggesting that war might come, I stressed the fact that the signing of the Atlantic pact would be the most effective step that Canada could take to protect herself against aggressors and to ensure the peace of the world. I expressed the opinion that the signing might take place within the next three months. I said that I did not believe that we would have war, nor did I suggest that I had any knowledge about the matter other than what is generally known. I did say that the agreement of the nations which would be evidenced by the signing of the pact would place such a preponderant strength on the side of peace that it was highly unlikely that any aggressor, including Russia, would try to make war after the signing. I emphasized that the pact was essential for the peace of the world and for the protection of Canada, and that its signing might even mark the beginning of better relations with Russia.

Mr. Drew: I take it that the hon. member was incorrectly quoted.

Mr. Chevrier: The leader of the opposition has no right to ask questions.

Mr. Drew: I have every right. When did the minister start to run this house?

Mr. Chevrier: I am not running the house; I am simply telling you what the rules are.

Mr. Harris (Grey-Bruce): I have made my statement and I think it is quite clear to everyone, including the leader of the opposition.

Mr. G. S. White (Hastings-Peterborough): Mr. Speaker, I should like to add my congratulations to the mover (Mr. Brown) and the seconder (Mr. Demers) of the address, and also to add my personal welcome to the new members who have taken their seats at this session, especially to the leader of the opposition (Mr. Drew). We who live in Ontario realize that during the period the leader of the opposition was premier of Ontario, from 1943 until his resignation a short time ago, Ontario was given more progressive and advanced legislation than any other province in the dominion. During his regime as premier of Ontario great progress and advancement was made in the realm of education, health, road construction, agricultural services, labour relations, conservation of natural resources and social services. In fact, Ontario today enjoys the most outstanding social services of all Canada, despite the ballyhoo to the contrary by the prophets from the province of Saskatchewan.

I was interested in the reply given by the Minister of National Revenue (Mr. McCann) to the hon. member for Lake Centre (Mr. Diefenbaker) who asked if it was the intention to set up a committee in regard to income tax as it affected farmers, with a view to removing the injustices presently imposed on farmers. The minister replied that he was only going to consider the matter, but I hope in the near future he will set up this committee.

I can state frankly that as far as farmers in my section of Ontario are concerned they are up in arms over the payment of income tax. They have protested against the campaign now being carried on by the minister's department. Speaking in this house in the debate in 1947 I suggested to the minister that the then activities of his department with regard to the imposition and collection of income tax on and from farmers would lead to a serious reduction in the production of cheese and other dairy products in Ontario. The result has been that in the county of Hastings, the largest cheese producing county in the province, seven or eight factories have closed already and a number of others will not open for the 1949 season. The production of cheese throughout Canada has shown a serious decline. In the brief presented by the Canadian federation of agriculture to the royal commission on prices on December 14 there is the following comment with regard to the production of cheese:

> The production of cheese showed a sharp downward trend from 1921 to 1934 (-3·6 per cent a year) and a strong upward trend (4·7 per cent a year) from 1935 to 1945. Production has since declined very sharply and in 1948 will be 28 per cent below 1947 and the lowest in 50 years.

In plain language, the average farmer is saying that he has no intention of milking cows for this government. The number of dairy cattle in eastern Canada has declined sharply and is still declining at a rapid rate. The brief submitted by the Canadian federation of agriculture sums up the whole situation for the farmer in a few brief paragraphs which I should like to quote. I quote from page two as follows:

> Today the farmers of Canada are worried about the future. They see a price structure in Canada which has risen to the highest levels in 100 years. They were told that price control during the war would prevent a repetition of world war I inflation and thereby avoid the disastrous deflation which followed. Now it is becoming clearly evident that price control, effective as it was in the war years, resulted in postponing the evil day of inflation.

Generally speaking, we believe the great rise in prices of recent years is not due to the action of any one specific group or institution. We do not believe that the whole cause of the great rise can be laid at the door of exorbitant profits in business, or the high wages of labour, or an increase in the middleman's margin or the operation of speculators and certainly not on the doorstep of the farmer.

And then from page nine there is a paragraph headed, "Long period of cheap food", which reads:

The cold facts are, and they can stand to be emphasized before this committee, food prices were cheap relative to wage rates from 1931 to 1939 because prices for farm products were below the cost of production. The consumers' cost of food was being subsidized by the farmers for at least eight years before the war.

The concluding paragraphs in the brief are as follows:

We have shown that urban consumers have made great gains over the past 50 years in their food purchasing power per hour of work. Hourly wage rates in September of this year could buy about 60 per cent more food than they could in 1913, or 68 per cent more than in 1920, another year of inflation. It can still buy almost as much as in 1939, which was a year of cheap food compared with wage rates.

The farmer does not begrudge the gains of urban groups, provided the gains are not made at the food producers' expense, and provided these gains are in line with increases in productivity. The farmer had a strong suspicion that urban wage rates were seriously out of line with food prices and the prices for farm products from 1930 to 1939.

The facts as presented in this brief bear out this contention. This disparity was hidden during the war and early post-war period by special government action. We are not criticizing this action in this presentation. But the fact remains, and again it needs to be emphasized, that consumers in general became used to a relatively cheap food situation which could not endure under normal free market conditions. When consumers have to bear the full cost of production of farm products it is only natural that it should be quite a jolt to them.

The farmers reject absolutely any suggestion that the position of agriculture, labour or consumers can be fairly measured today by any reference to 1939 or 1935-39. Those were years of agricultural depression and years of above normal food purchasing power for consumers.

I would point out, Mr. Speaker, that there is absolutely no comparison between the hours that the farmer must work to earn $5 and the hours that a member of a labour union must work to earn $5. Yet in the computation of income tax both are taxed on the same basis. As has been mentioned so often before in this house, the farmer has always felt a grievance because he has never been allowed anything by way of deduction for the work that his wife and other members of his family perform on the farm. If the farmer sells pulp, wood products, sand or gravel, he must show the proceeds in his income tax return, but it appears to me that once the sand and gravel are gone there will not be a second crop. The same thing applies in a lesser degree to pulp and wood products. If the farmer sells a whole woodlot it is a capital gain, but if he should take off ten per cent each year for a period of ten years he is taxed.

I should also like to mention to the Minister of National Revenue (Mr. McCann) that the item in the farmer's income tax return whereby he is taxed for produce raised and consumed on the farm is most irritating to the farmer. Why the minister and his department insist that this item be continued is rather difficult to understand. Another irritation to the farmer in regard to income tax is the question of bookkeeping, and also the question of the deduction of income tax as far as hired help are concerned. The forms are still complicated despite the assurance we received from the minister last year that the 1947 form was to be a simplified one. Before this session opened I read in the press that we were to have another new form which is going to be so simple that anyone can fill it out, and no taxpayer will ever again have to consult an accountant or a lawyer. All I can say to the minister is that I hope the 1948 return will be an improvement over the form he produced in 1947.

Income tax rates are still most excessive. Many veterans have used their re-establishment credits, together with borrowed moneys, to go into business. The veteran is taxed on his earnings or income from the day he starts his operation. Today he finds himself in the position where he must repay with interest the money he borrowed. He must pay a heavy income tax. In many cases it will be years before the veteran is re-established.

Women working in cities find themselves in the position where they have an exemption of $750, a figure which today will not cover the cost of board, laundry and carfare, the bare essentials. I contend, Mr. Speaker, that the general rate of income tax should be reduced, that the exemption for a married man should be at least $2,500, and for a single person $1,250, together with an increase in the allowance for children and other dependents. The allowance of $300 for children over sixteen years of age, attending school or college, is almost absurd. I would ask any hon. member who has a boy or girl over sixteen years of age attending school or college how far that will go toward clothing and educating that child. We find that a wife is allowed an exemption of $750 and a single person the same. It has always been hard for me to reconcile why a wife should be allowed an exemption of $750 when, for a child going to school, and probably costing his parents more, the father is allowed an exemption of only $300.

I should like to commend the hon. member for Vancouver North (Mr. Sinclair) for bringing to the attention of this house the statements made by the member for Vancouver Centre (Mr. Young). It appears to me strange

that any member of parliament, who must at least have the respect and the confidence of his own electors to be elected to parliament, should make such slanderous statements, which, taken in a literal way, include every member of this house, including the members of his own socialist party. To me these tactics have a decided similarity to those adopted by the communists, a smear campaign to smear persons in positions of responsibility in a democracy, a tendency intended to discredit and destroy the confidence of the public in their elected representatives. The technique is well recognized as a part of a communistic program before they move in to take over a country. I have noticed in the press on various occasions how bitterly the socialists complain when anyone attacks their communistic policies, and how they adopt a holier-than-thou attitude when anyone attempts to compare their philosophy with that of Karl Marx. I for one sincerely hope that the hon. member for Vancouver North will persist in his announced intention to have the member appear before the committee on privileges and elections.

In a past session, Mr. Speaker, I brought to the attention of the Minister of Finance (Mr. Abbott) the activities of the wartime prices and trade board in the county of Hastings. The village in which I reside has always been greatly honoured with very special attention from these official snoopers from the wartime prices and trade board. I am happy to report that their activities still continue. In some cases, in my opinion, they have been almost vicious. When one considers the persons who are prosecuted or persecuted, whichever way you wish to put it, one is forced to wonder and question at times whether or not there is a slight political tinge to the whole manner in which these prosecutions are carried out.

The board issues so many orders, regulations and directions that the average grocer is unable to keep up with the flood. According to a food bulletin issued by the board in November, 1948, there were in effect on the 15th November, 1948, fifty-two orders relating to the food trade. Of those fifty-two orders no less than thirty-nine were passed between the first of January, 1948, and the 15th November, 1948. The great majority of these orders were issued by the administrator. Once they are issued they have the force of law without ever passing through this house, which, after all, is at least supposed to approve and pass the laws to which Canadians are subject. The original order setting up the wartime prices and trade board, P.C. 8528, granted very wide powers to the board. In fact the very first words of this order in council are.

—the wartime prices and trade board regulations were made and established to provide safeguards under war conditions—

I say to the Minister of Justice (Mr. Garson) that it might be very interesting for his department to give a ruling as to whether or not the war emergency still exists. This original order also provides that the agents and servants of the board have the right at all times to enter upon any premises and inspect and remove books, documents or records of any nature. It further provides that all orders and regulations are effective merely after publication in the *Canada Gazette*, and also that servants and agents of the board are granted complete immunity for any act they may perform under these regulations. All this seems to me hardly consistent with recognized legal procedure in Canada. It sounds more like something we might expect under a gestapo order. These orders are simply mailed to the merchants, and it makes no difference whether or not they receive them, because they are bound by all the orders and regulations.

I should like to point out, as I have on previous occasions, what happens when these people descend upon your village. A short time ago I had occasion to defend a grocer who was charged with several violations of the regulations. The official snooper from this board called at a store, where he discovered several slight infractions. For instance, he found that oranges were selling for 30 cents a dozen whereas the ceiling price was 29 cents, a matter of one-twelfth of a cent on each orange. He found grapefruit selling at four for 25 cents instead of four for 24 cents, and canned fruit at a fraction of a cent over the ceiling. The investigator demanded the invoices covering these items, though it is always difficult for a grocer or anyone else to pick out an invoice and be certain that it covers the identical article on the shelf. In any event the investigator took the invoices away with him, but before leaving he obtained a statement from the grocer, without telling the grocer he was not obliged to sign it and, what was more serious, without telling the grocer that this statement would be used in court at a later date. This was not one of the printed forms used by the board; it was a statement written out entirely by the investigator.

In due time the grocer was charged and the matter came before the court. I appeared for the grocer and asked the magistrate for an adjournment because I did not have the invoices. I also asked the magistrate to

request the solicitor for the board to supply me with copies of the invoices; but the solicitor, who soon acquired all the arrogance this board has always possessed, said he was not obliged to furnish me with anything. Thereupon I wrote to the board at Ottawa, explaining the action of their solicitor, and the board replied advising me that they had instructed their solicitor to furnish me with the required copies.

It was also interesting to note that before the case came to court the solicitor for the board called on the grocer with a prepared paper which he asked him to sign, in which he would be pleading guilty. It has always seemed to me, Mr. Speaker, that any Canadian citizen must be presumed innocent until he is found guilty in a proper court of law, and that every citizen is entitled to his day in court. When the case came before the magistrate the investigator, with the assistance of his solicitor, attempted to file the statement he had obtained from the grocer. I objected to its admission, pointing out the well-known rules of evidence concerning the admission of any statement signed by an accused. The magistrate refused to admit the statement; and I was amazed to hear the investigator for the board say under oath that it was the practice of the board to obtain these statements while conducting their investigations and file them later during court proceedings.

It was also interesting to hear the investigator admit under oath that in the great majority of the stores he investigated he found some slight infractions of the regulations. He admitted that in my village he found such slight infractions in a number of stores, but that in very few cases prosecutions followed. As a lawyer I cannot follow the reasoning which dictates that in one village where there are ten merchants, all guilty of some slight infractions of the regulations, only one should be prosecuted, or persecuted, as you wish. Tactics such as these do not encourage respect for this law or these regulations, nor do they inspire any confidence in the manner this board enforces these price ceiling regulations.

As the final act in this peculiar case I was advised, on authority I would not question in the slightest degree, that two days after the case was heard the solicitor for the prosecution received instructions from the board at Ottawa to press for a fine of at least $100. These instructions had not been issued before the date the case was originally slated to be heard, and I can only assume that the board, with its usual autocratic methods, felt that any backbencher member of parliament who dared question or protest against any act of the board should be punished, and the only way he could be punished was to penalize his client. Fortunately, however, the case had been disposed of already, and the magistrate in his wisdom found the charges so trifling that the fine was merely nominal.

It does seem to me, Mr. Speaker, that there were many unusual features to this case, which however I presume must be the usual procedure. First we had the investigator taking away the invoices so that any solicitor who might be acting for the accused could not prepare his defence. Then he obtained a statement, contrary to all the recognized rules of practice. Then the solicitor for the board refused to furnish copies of the invoices. Then there was the action of that same solicitor in attempting to have the accused plead guilty. Finally there was the action of the board, after discovering that an opposition member of parliament was acting as solicitor for the grocer, in issuing instructions to insist upon a heavy fine. I notice that a committee has been set up to revise the criminal code, and as a sideline it might well devote its energies to improving and bringing up to date the procedure followed by the wartime prices and trade board in filing and carrying out prosecutions.

I would suggest to the minister that in all future prosecutions by this board, especially in my own village—which no doubt now will be persecuted more than ever—the well established and defined legal procedure be followed. It is very difficult for me to approve the attitude of this board in deciding who, among a large number of merchants all of whom may be guilty of some slight infractions, should be the victim, who should be persecuted. I would not even suggest that some slight political bias might enter into such a decision; yet I find that in my district, at least, those who have been prosecuted by this board are individuals who are and always have been opposed to this government.

I should like to concur in the remarks made by the hon. member for Vancouver South (Mr. Green) about veterans affairs. I regret that the minister has decided not to set up the veterans affairs committee at this session, because I am sure he has received many complaints regarding veterans allowances, including a brief from the legion. These allowances at the present time are inadequate and I for one hope that the minister will reconsider his decision and yet decide to set up the veterans affairs committee during this session, if only to deal with allowances under the War Veterans Allowance Act.

The Address—Mr. L. Dionne

Mr. Ludger Dionne (Beauce): Mr. Speaker, many hon. members have already spoken in this debate on the speech from the throne, and no doubt many others will take part in it. It is not my intention to elaborate on its text. In taking part in the debate, I do so with the intention of exposing a situation which, to my mind, is not in the interests of the Canadian taxpayers and which is detrimental to the practical and economical administration of the Canadian government.

This afternoon I had the privilege of hearing my colleague, the hon. member for St. James (Mr. Beaudry), suggest a reduction of the income tax by 50 per cent. I think we can go further than that. We have on our statute books provision for a special sales tax of 8 per cent on a good many manufactured articles. This tax brings to the Canadian treasury a sum varying between $350 million and $400 million per annum. This tax costs the Canadian taxpayers thirty cents for every dollar of processed raw material. Yet it yields to the treasury only eight cents. The difference of twenty-two cents goes into profit of the various intermediaries, according to their various stages in the distribution ladder. This fact is easily verified. The instance I am taking is that of cotton goods, a requisite in every household in Canada including my constituency. Let us look at the tax and profit history of a shirt. When selling $100 worth of shirt fabrics, the textile manufacturer must charge 8 per cent sales tax. This material is then billed at $108 as cost price to the shirt manufacturer. The shirt manufacturer doubles this amount for making the shirt ready for marketing. He thus bills at $216 these goods converted into shirts. The wholesaler adds a profit of 25 per cent to his cost of $216—namely, $54—which brings his sales price to $270. The retail merchant who pays $270 for the goods adds his profit of 50 per cent or $135 which, added to his cost of $270, brings the retail price to $405, which is the price the consumer must pay for these goods.

If there were no sales tax of 8 per cent collected at the source, the same scale of markup would work out as follows. The textile manufacturer would invoice his goods at $100, the shirt manufacturer would bill his shirts at $200. The wholesaler would bill the same goods at $250 and the retailer would make his retail price $375. In other words, the $8 which the government has collected at the manufacturer's shipping department now costs the consumer $30, the difference between $405, which is the retail price with the 8 per cent sales tax, and $375, which would be the retail price after allowing the same margins of profit but without the original sales tax. This means that the consumer has, through the operation of the sales tax, paid $30 for what will bring $8 to the treasury. By the simple process of applying its 8 per cent sales tax at a different level of distribution, the government of this country could obtain the following results: not interfere with the margin of profit or the markup of any of the intermediaries of manufacturing or distribution; not modify the retail purchase price of any article of consumption, but increase its revenue by three and three-quarter times, and thereby eliminate the need of personal income tax to the extent of over one billion dollars a year.

The sales tax of 8 per cent at the source is yielding to the government a revenue of $400 million, in round figures. If the government collected $30 on the same goods instead of $8, they would get an approximate revenue of over one billion dollars, and nobody would be any worse off. Some hon. members may think it will create a problem to the government to collect the sales tax of 8 per cent on the retail level. This problem can be easily solved by compelling the retailers to put a stamp on the shirt. This stamp would represent 8 per cent of the retail price of the shirt.

I hope the government will listen favourably to this suggestion, because I cannot understand why they would any longer permit over one billion dollars to escape from the treasury and go into the cash of intermediaries who do not need it. With this huge sum of over one billion dollars the government could probably vacate the income tax field entirely.

How many times have I previously asked the government for income tax relief in favour of Canadian taxpayers. I will not repeat all I have said in previous years with regard to the income tax and the raising of the exemptions. Everyone here knows my views. This year I should like to add this. In the past I urged higher exemptions for the lower brackets. This year I am urging that all brackets can be almost fully exempted and by means which will represent no added burden to the taxpayers, either as taxpayers or as consumers.

I know that some people stick to the idea that the income tax is on our statute books until the end of humanity. They argue that it is the fairest form of taxation, owing to the fact that the higher the earnings of the individual the higher the taxes. The same reasoning applies to the sales tax. When a wealthy man buys a suit of clothes costing $100 he will pay $8 tax. When the poor man buys a suit of clothes costing $25 he will pay $2 tax. That is the favourite argument. Let me tell you that no matter how just in theory the income tax may appear to some people, it can never be entirely fair in its application, and

we cannot be deaf to the protests against it. Some provincial governments collect hundreds of millions of dollars through indirect taxes. You never hear very much criticism of it.

Let us take a package of cigarettes on which there is probably a tax of twenty cents. You never hear anybody complaining about the price of thirty-eight cents at which it is sold on the market. Why? Because the buyer pays for it in cash at the counter. If this package of cigarettes were sold at fifteen cents, and at the end of the year the government tried to collect $60 from the smoker who had bought 300 packages of cigarettes in the course of a year, you would probably hear the same recriminations as you do about the income tax. Why should the Minister of Finance (Mr. Abbott) insist upon the income tax which displeases every Canadian citizen, and which in the case of the farmer particularly makes the laying of each egg, and the picking of each carrot, a bookkeeping operation?

Like every other hon. member of this house, I have been sent here by my constituents to serve to the best of my ability and in their interests. This duty impels me to suggest that the income tax legislation can be repealed, and at no cost either to my constituents or to the rest of the country. In suggesting the means I am only doing my duty and that which the responsibility my electors have placed upon my shoulders forces me to do.

I trust the minister and his officers will give more than glancing consideration to my suggestions. I stand ready to uphold that the welfare of each Canadian justifies it, and I can assure the minister that my constituents, by themselves, are sufficient reason why I should not cease my efforts in the field of taxation. If we can find other ways and means to tax our population without provoking their feelings, I think it is our duty to do so.

The income tax system is obsolete. As long as it applied to business firms exclusively, where reliable auditors had to sign income tax returns, the government had some reason to enforce it, because it could be taken for granted that most of the income tax returns were exact. But now that it applies to almost everybody it would be rather too optimistic to expect the same result. Consequently, when a law cannot be enforced with justice and fairness to all it must be discarded and replaced by some other more practical system. The system I advocate would eliminate the need for income tax and would not add to the burden of the consumer by one iota. It would, however, tell him exactly where his money goes. I believe that the Canadian citizen is big enough to take that with equanimity.

Mrs. Gladys Strum (Qu'Appelle): I wish to take this opportunity, in this our national health week, to discuss the nation's health and in particular the biggest health and treatment problem today challenging our medical men, and one for which we have not yet made any direct provision. I refer to that terrible cause of pain and heartbreak, the nation's number one crippler, arthritis. Twenty years ago tuberculosis stood in a position similar in many respects to that which arthritis holds today. Twenty years ago tuberculosis was little understood. It was greatly feared. There were few treatment centres, and these were so costly as to place them beyond the means of the average family. At that time the death rate from tuberculosis was 84·5 per 100,000 persons. There was not a single province which had free treatment for tuberculosis in any of its forms. Nor was there a province which had a ratio of three beds per annual death, the rate which is now considered to be the necessary ratio. While it was known that the best way to fight tuberculosis was through the use of X-ray, as far as the population as a whole was concerned such a thing was quite out of the question because the cost of X-ray at that time was prohibitive.

In 1926 the anti-tuberculosis league was formed, and it organized its first Christmas seal drive. In that first sale of seals they raised $91,312.75, and in the twenty-three years since that time we have seen a complete transformation in the field of tuberculosis treatment. There are now large and well equipped sanatoria in every province. Twenty years after the inception of the first Christmas seal drive the fund reached the million dollar mark, which was more than ten times as much money for preventive work as the initial drive had yielded. All over Canada this money is now used to conduct mass X-ray services for the early detection of tuberculosis infection.

Most of the nine provinces now offer free treatment for tuberculosis, and several of the provinces have attained the target ratio of three beds per annual death. The death rate has been reduced from 84·5 to 45·9 as the average rate for all of Canada. This rate varies, of course, from province to province, depending upon the length of time the tuberculosis program has been in operation there.

It is notable that those provinces which first undertook to pay the cost of treatment, and so relieve the patient of the burden of expensive care, have made the most rapid gains in reducing the death rate. These provinces, Saskatchewan, Alberta and Ontario, all show high average sanatoria populations, compared with the average number of deaths, while provinces with high death rates had

smaller sanatoria accommodation. That is to say, Saskatchewan, which was the first province in Canada to institute the free tuberculosis treatment and subsequently establish a world record for treatment and cure, has now the lowest death rate; and I am happy to say now that we have more beds available than patients needing treatment. In spite of the slight increase due to the war years we have for the first time in our sanatoria empty beds waiting for patients, instead of patients waiting for beds.

Perhaps the most important difference between arthritis and tuberculosis is that tuberculosis, if untreated, means the death of its victims in a relatively short space of time. Arthritis, while being a crippler, is not a quick killer. Perhaps if it were it would have been taken seriously long ago. Perhaps because rheumatism symptoms are fairly widespread and are often confused with muscular strains and stresses we have accepted this burden of pain and suffering without question, and have permitted the disability to go untreated and unchallenged.

But how important is arthritis as a disease? We are happy to have now the results of the most recent attempt to determine the incidence of arthritis in Canada. The survey of November 1947 undertaken by the Dominion Bureau of Statistics at the request of the Department of National Health and Welfare is now before us. Again comparing arthritis with tuberculosis, while there are in Canada 30,000 people suffering from tuberculosis, according to the government survey, in November 1947 there were an estimated 652,000 people, or almost 22 times as many suffering from arthritis as from tuberculosis. This is a comparison worth noting.

The number of arthritic sufferers is more than the total afflicted with heart disease, cancer, tuberculosis and diabetes combined. Yet in Canada there is only one hospital for civilians, equipped for the specialized treatment of civilian arthritis. It is the hospital at Banff, and this hospital can treat only seventy-five patients, who must pay the cost of their own treatment.

I visited this hospital last summer. I was greatly impressed with the provision made there by the nursing sisters of the order of St. Martha. I was impressed with the story the patients told me of the relief they had had from pain, and of restored mobility of limbs through the use of various treatments and surgery. I was impressed beyond anything I had expected; and I could see that, if we could only establish treatment centres where we could get experience in treating large numbers of people to build up a history of cases and to train personnel, the picture for arthritis would be far from hopeless.

Mr. Martin: Perhaps the hon. member would permit me one observation. I am sure she would like to know that, under the new national health plan, funds have been placed at the disposal of the government of British Columbia to do that very thing.

Mrs. Strum: I am glad to hear that, and I shall still ask that it be done for all the provinces.

The November survey carried out by the Dominion Bureau of Statistics has some very interesting facts about arthritis in particular. It reveals that 25 per cent of the persons with arthritis have had no medical advice or treatment whatever. The menace to Canada of this untreated disease represents the greatest single loss to industry. It represents approximately 20 per cent of persons suffering unemployment through illness. That is, 19·8 per cent of all persons laid off because of illness are laid off because of arthritis, according to our own bureau of statistics. This represents 22·5 per cent of all the time lost, because of the extended nature of the disease and the time during which people are out of industry and employment. The loss of days by both male and female employees represents the staggering total of 1,650,300 days during the period of the month of October for Canadian labour, or the equivalent of 5,501 years of 300 working days per year.

The Department of National Health and Welfare in its annual report of 1948 states:

> Canada has today 4,800,000 gainfully employed persons. The sickness rate of this vital section of our population is estimated to be nine days per annum, and represents a loss of over $500,000,000 to the national income.

The cost of arthritis might be represented as 22·6 per cent or almost one-quarter of this staggering sum.

While this Canadian survey gives us a very valuable chart as to the prevalence of this painful and disabling malady, it does not recommend any program to alleviate or check its ravages. We are fortunate however in having a report suggesting such a program. I refer to the report by Lord Horder, and the plan for national action which he sets forth here. This report is the result of four years of research by the empire rheumatism council. This council conducted a campaign inquiring into the causes and best means of treatment of rheumatic diseases. It states:

> From laboratory and clinical research, from observations of the work of various treatment centres at home, from a close examination by representatives of the empire rheumatism council into the methods of many of the rheumatic hospitals and clinics in Europe and in the United States, there has been gathered knowledge sufficient to suggest a plan of treatment on a national scale and of some

measure of prevention. The purpose of this document is to outline the plan and its medical and administrative aspects to show that it is possible of application without incurring vast expense and that its application would result in a reduction in the ravages of rheumatic diseases—such rheumatic diseases including rheumatism and arthritic cases.

The estimated number of cases in the United Kingdom and Wales is set at over a million, and it is estimated that in Scotland alone there were 344,872 new cases yearly. In addition to the economic loss—the loss of days, the loss of wages and the loss of production—referring to the toll of pain the report states:

> The toll of pain can be calculated on the assumption that almost every patient suffers, since pain is a characteristic symptom of most forms of the disease—pain so great in severe cases that medical practitioners sometimes have experience of patients praying for death as a release. The toll of disablement may be assessed from the fact that the basis of inclusion in the national health insurance figures quoted was incapacity to work on account of rheumatic disease.

I might add here that arthritic patients have told me that when they were first seized with the rheumatoid type of pain they were afraid they would die; later on they were afraid they would not. And as they became progressively worse and became chair cases, and in many cases blind, their condition was extremely sad and hopeless.

The report gives the findings of its investigations, and the evidence obtained thereby in relation to all aspects of the problem. This report, which I would recommend to all members, goes very fully into a classification of types in relation to causes, and stresses the need for the special training of physicians so that they may properly diagnose and classify the various types of arthritis, and recommend proper treatment.

It discusses glandular disturbances, physical injury and occupational causes which may be at the root of infection. It was found that some occupations seemed to provide conditions favourable to arthritis. The November survey by the bureau of statistics seems to bear this out. The women of Canada will be interested to learn that the largest single group comprises those keeping house, 41 per cent of the total arthritic population consisting of mothers or housewives charged with the great responsibility of holding the nation's homes together.

Agriculture, housewives, fishing, trapping and logging head the list of occupations in which the highest rates occur. Level of family incomes is also a factor of the greatest importance. The family income determines whether or not there will be enough of the protective foods; and in investigations carried on in England it was found that children coming from poor homes had three times as much rheumatic infection as children derived from the same class but living in well-managed children's institutions and homes.

Any nation-wide attack on arthritis must include an attack on poverty because bad housing and inadequate diet are factors contributing to the incidence of rheumatic infections and have a bearing on the general health level and resistance of the people.

Climate also was investigated. I think we are all interested in this because we have the impression that if we could only go south, if we could only get to a warm climate or some place like Arizona or Australia, all the symptoms of rheumatism and arthritis might disappear. So climate was investigated in this empire association attack on arthritis. It was found that climate had very little to do with the incidence of arthritis. They investigated coastal and mountainous regions and hot, dry, arid climates like Arizona and Australia, but it was found that in every country there were the same problems and that there were large numbers of people afflicted in varying degrees by this universal crippler, arthritis.

This investigation of hot climates has suggested that the problem is not one of geography but is related more to industrial and occupational groupings. With regard to the treatment of rheumatic diseases—I do not think we can emphasize this too strongly—the report states:

> It must be repeated that much of this sacrifice of human well-being is unavoidable; that there is no refuge in the excuse that, since medical knowledge of causes and of the most efficacious treatments is incomplete, nothing can be done. In the majority of cases a great deal can be done. Even if there were no hope of gaining further knowledge by research—which, emphatically, is not the case—yet the national application of present methods of cure and alleviation would lift much of the burden of rheumatic disease from the community.

The importance of early treatment has been emphasized by a Swedish authority who charted the percentage of cures in relation to the stage at which treatment was undertaken. He states that the results of the first year of treatment resulted in 79 per cent validity; after two years this diminished to 56 per cent and at three years it had dropped to 50 per cent. He defined "validity" as the restoration of the ability to work normally or diminished according to the period which had elapsed before the specialized treatment was taken.

What can we do in Canada to check this painful and crippling malady and to cut down heart disease which results from the unchecked course of rheumatic diseases? We can begin this year by appropriating a part of the budget surplus for assistance to the provinces in launching an all-out drive on arthritis. Our greatest contribution to the

health and well-being of the Canadian people can be made in this field because this is the greatest crippler we have, taking a toll much greater than the combined total for heart disease, cancer, tuberculosis and diabetes. I urge the Minister of National Health and Welfare (Mr. Martin) that it be included as a specific category for which grants in aid will be made to the provinces.

Mr. Martin: It is now included.

Mrs. Strum: Is advantage being taken of it?

Mr. Martin: By some of the provinces.

Mrs. Strum: I suggest that the grant include all victims in homes, offices and factories. I would suggest also that the terms on which the grants are made to the provinces be different from those of the other grants and more easily met.

Mr. Martin: There is no condition at all in the general public health grant. There is no magical requirement and the provinces are at liberty to use it.

Mrs. Strum: I am not talking about the general public health grant.

Mr. Martin: That is where it comes.

Mrs. Strum: I am asking the minister to set it out as a separate category. In the speech by the former Prime Minister (Mr. Mackenzie King) an outline was given of the bases upon which the grants would be made, and one category was general public health services. That would cover all public health projects, but that is not good enough for the nation's greatest crippler. Then there are tuberculosis control, mental health, venereal disease control, crippled children, professional training, public health research, control of cancer and hospital construction. All of those things have certain conditions attached.

Mr. Martin: There are no conditions except in the case of the cancer control and hospital construction.

Mrs. Strum: The confusion as between the minister and myself lies in the fact that I do not consider that the general public health grant should include arthritis. I consider that arthritis is too important and too damaging to leave it to the option of the provinces. If British Columbia is applying the public health grant to arthritis, that is an admirable thing, but it still will not leave enough money for arthritis and it does not constitute a nation-wide program on arthritis.

The conditions in connection with grants for tuberculosis control are set out in the proposals of the government of Canada. There are two categories of grant, one being conditioned on the prevalence of tuberculosis. That is, the more T.B. you have, the bigger grant you receive.

Mr. Martin: On the incidence of death.

Mrs. Strum: That means that provinces that have already invested large sums of money in sanatoria and to help out their people will now be confronted with a diminishing grant, while the provinces that have not undertaken to do much will be given greater help. There is some justice in that, as I think we must acknowledge the principle of the greater need in health; but I would hope that we could take arthritis out of the general public health grant and treat it the same as we treat tuberculosis, cancer, crippled children, venereal disease and mental health. This is the most important; its total incidence is greater than the combined totals of the diseases I mentioned.

It merits a separate category and even a more generous grant than is given in the case of the diseases mentioned in the statement made on May 14, 1948, by the former Prime Minister. We cannot afford to leave this to the option of the provinces. We cannot afford to impose on the provinces that have already extended themselves so far. There are some provinces that have made outstanding contributions to Canada, indeed to the world. I am thinking of our Dr. Ferguson, who many years ago established free treatment for tuberculosis and conducted a campaign that led to an eventual world record in the treatment of this disease. He did great service to mankind generally.

Mr. Martin: That was at Qu'Appelle.

Mrs. Strum: The work now being done in the field of cancer by the Saskatchewan government is considerable. The late Dr. Allan Blair established a program which is costing us really more than we can afford. Yet our expenditures are not diminished by these grants, because we must match the federal government expenditures. That makes it very difficult for us to expand our program of health services. It will make it impossible to extend it to any new disease or to any new category.

If we are going to make an all-out attack on arthritis we cannot limit the number to be treated. It will have to be like T.B. We will have to give treatment for perhaps months and years. It is not something like an appendix operation or a tonsil removal.

We cannot think in terms of cost either, but there will be many cases of preventive treatment that will result eventually in a great saving because we will prevent this crippling process which removes so many people from the field of active production and makes them a charge on the community,

on the municipality, or on the province. Therefore I would urge the government and the minister to take arthritis on its own merits and treat it even more generously than these other diseases have been treated. I would urge them not to leave it to the voluntary association which is now talking about arthritis but which has no funds for research.

Mr. Martin: Oh, yes, it has.

Mrs. Strum: A mere fleabite.

Mr. Martin: They wrote to me only last week that they cannot use the funds which the federal government and the provinces together have put at their disposal this year.

Mrs. Strum: The reason they cannot is that there are no centres where the funds can be applied. We were able to go so far with T.B. because we had treatment centres where we could apply the grants for research. While we were treating T.B. patients, wiping out sources of infection and saving lives, we were building up research information which has been of inestimable value to the world. Therefore I would say that research funds will not be any good until we have centres to bring together victims of arthritis, and to bring together doctors with specialized training in arthritis. We can do that only by giving the money to the provinces, because we all recognize that health is a provincial matter, that the provinces will have to institute and undertake the program, but that the very nature of the expenditures makes that impossible until the federal government kicks through with a lot more money than it has given in any of these other diseases.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, first of all I should like to extend sincere congratulations to the mover and seconder of the address in reply to the speech from the throne, particularly since those two hon. gentlemen are members of the "Little Chicago" group. My remarks in this debate will be a description of the conditions I encountered during my trip overseas last autumn as a delegate to the commonwealth parliamentary association. I regret that perhaps some of my remarks may not coincide with remarks that have been made by the Prime Minister (Mr. St. Laurent). However, they will be a description of conditions exactly as I saw them during my visit to Europe for a period of two months.

We were privileged to be in England, and particularly in the city of London, for quite some time. We spent several days at the meetings of the commonwealth parliamentary association, and then had a few days to go and do whatever we wished. I had the privilege of meeting members of the government of Great Britain, discussing with them problems that had arisen in Canada, and endeavouring to find some solution whereby they might be remedied. I was particularly interested in trade between Canada and Great Britain.

When I left Canada for overseas I had the idea that when I returned I might be able to tell the people of the county where I live the complete story as to why Canada today does not appear to be receiving the amount of benefit from British trade that it should receive. In my discussion with members of the British government I found that for quite some time the trade had been tunnelled through a one-way street, and apparently it must continue in that one direction for a considerable time in the future. When we consider that this country must have trade in both directions in order to survive, that was a very discouraging condition to encounter. To my regret I also found that some of the members of the government of Great Britain were very much opposed to the Havana agreement, which had been discussed for some time, and apparently was then practically in final form.

I have here some literature which came to me in London. It is distributed by the "Empire Industries Association and British Empire League." That organization is independent of any political party, but in looking over the literature I find that in the list of officials there appear the names of seven members of parliament. That would indicate that the members of parliament were taking the same stand in this regard. I should like to read a few of the remarks contained in this pamphlet.

> The mutual aid agreement, under article 7, demanded "The elimination of all forms of discriminatory treatment in international commerce." The American interpretation of this phrase is the destruction of Imperial preference.

I believe I have made myself clear in this house as to my ideas on trade. I believe in freer trade. I have committed myself on various occasions on the floor of this house, and I am still of the same opinion. Trade is the very lifeblood of this country. In order for us to survive, when we produce much more than we can consume ourselves, we must trade with other countries. I believe that the freer the movement of that trade between all peace-loving countries the greater the prosperity in Canada. In no way would I wish to interfere with trade with any country wanting to trade with us on an equal basis. The pamphlet goes on to say with reference to the Havana charter:

> This will disintegrate the Empire and isolate each member of it. Not one of the dominions, not even Great Britain, can stand alone in competition for

world trade, and must be undersold by mass production in America and by the goods of low-wage countries.

There is one problem I found there that I fail to understand, and it has never been fully explained to me. I do not understand why Great Britain is trading with countries whose produce is produced by slave labour. They are trading with some of those countries in preference to Canada. I realize that they may buy more cheaply in those countries than they can buy in Canada, but today, with world conditions as they are, I feel that after the wonderful contribution Canada has made to Great Britain we should at least have a preference over those countries. Another passage of this pamphlet reads:

Preference is to be eliminated and empire markets handed over to foreigners.

That expression pretty much designates the United States of America as a foreign country; and I wonder just how some members of the British parliament must feel when they read literature of that character. In view of their contribution during the last war I believe the United States deserves something better than to be called a foreign country, and I think they would be perfectly justified in expecting something more than that. I am reminded of the plant in Birmingham where Austin cars are manufactured. When we were overseas, much of the steel in that plant came from the United States. That steel was shipped to Britain under ERP; the cars were manufactured and shipped back to the United States, where they were sold in competition with cars manufactured in that country. I believe the United States has gone a long way in helping Britain get back on her feet, and I believe they deserve more credit than they are receiving at the present time.

Again, Mr. Speaker, I was greatly amazed to find that salmon canned in Russia was being sold in England while Canadian canned salmon was being held in warehouses on the Pacific coast. You will remember that in this country in wartime salmon was in very short supply. We shut off the export of raw and canned salmon to all other countries in order that the greatest possible quantities might be shipped to Britain. Today I believe the canners of British Columbia are greatly worried over the large amount of canned salmon they have on hand, with no markets. I also discovered that England was shipping tin plate to Russia in exchange for other commodities. So I believe it would be difficult for Britain to explain why she should be dealing with countries that produce by means of forced labour in preference to trading with countries that have tried in every way to deal squarely with her.

Mr. Young: They have no dollars.

Mr. Stuart (Charlotte): My hon. friend says they have no dollars. In reply let me say that we have had a dollar problem in our own country, brought about to a large extent by the fact that we have given and loaned materials to Britain which we might have sold elsewhere for the dollars we lack today. That is my personal opinion. I was very much discouraged to discover that apparently we in this country have little chance of benefiting from the British market for some time to come. When it is remembered that this country, with a population of twelve or thirteen million, has contributed in loans and gifts to Britain over five billion dollars, one might be justified in the hope that first consideration should be given this country, but that is not being done at the present time. I know other delegates who discussed these matters with members of the British government left Britain with the same feeling.

As I said before, and I want to emphasize for just a moment, trade that passes through a one-way street can never be successful; and this one-way trade has been going on for some years. I believe the time has come when this country must find some other place to do business. Perhaps we will have to go further afield and find other markets; but there is a limit to just how far a country of twelve or thirteen million people can go in the way of gifts and loans, with nothing in return.

On motion of Mr. Stuart (Charlotte) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: We will continue this debate tomorrow.

Motion agreed to and the house adjourned at 10.55 p.m.

HOUSE OF COMMONS

Wednesday, February 2, 1949

The house met at three o'clock.

ROYAL CANADIAN AIR FORCE

OFFICER IN COMMAND AT MINGAN, QUE., AIRPORT

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, yesterday the hon. member for Nanaimo (Mr. Pearkes) asked me a question about Mingan, and I should like to answer it now.

Mingan is an emergency landing field on the north shore of the St. Lawrence. It was built in 1941 by United States forces with the consent of the Canadian authorities for use in case of need by aircraft on flights from the United States, primarily on ferry operations. This field was included in the facilities built by the United States for which the United States was reimbursed in 1946. The field is used infrequently and almost exclusively as an emergency or alternative landing field by United States transport aircraft, supplying United States personnel. For this reason, by arrangement with the Canadian authorities the field has been under the care of a small detachment of United States personnel. It is understood that similar arrangements exist in other countries, including the United Kingdom.

The establishment at Mingan falls within the central air command, at the head of which is Air Vice Marshal Middleton.

Similar arrangements are still in effect at Chimo on Ungava bay, and Frobisher on Baffin island.

There are also, by arrangement, small detachments of Canadian personnel in the United States under the immediate command of Canadian officers.

These arrangements are in full accordance with the joint defence arrangements announced on February 12, 1947.

If and when the circumstances requiring the use of these United States planes should change, and if it should be decided to continue the operation of Mingan, that operation would be taken over by us. Arrangements looking to this have been under consideration.

DOMINION ELECTIONS ACT

LIMITATION OF ELECTION EXPENSES—PUBLICITY TO CAMPAIGN FUND CONTRIBUTIONS AND EXPENDITURES

Hon. C. G. Power (Quebec South) moved for leave to introduce Bill No. 7 to amend the Dominion Elections Act, 1938, (election expenses).

Some hon. Members: Explain.

Mr. Power: During the session of 1939 a committee of this house was set up to deal with electoral matters. Its third report consisted of a draft bill to amend sections 62 and 63 of the Dominion Elections Act. The bill which is being presented today is an exact copy of that draft bill. May I say that after some consideration the report was adopted by the house in 1939.

The aim of the bill is to limit political expenditures at the constituency level, and to give wide publicity to contributions to campaign funds and to expenditures from campaign funds.

Motion agreed to and bill read the first time.

PROVISION FOR SINGLE TRANSFERABLE VOTE

Mr. W. M. Benidickson (Kenora-Rainy River) moved for leave to introduce Bill No. 8, to amend the Dominion Elections Act (single transferable vote).

Some hon. Members: Explain.

Mr. Benidickson: Mr. Speaker, this amendment to the Dominion Elections Act is designed to permit the voter to indicate his order of preference when there are more than two candidates in an election. The bill is modeled closely upon a bill introduced in the house in 1924 and in 1925 by the then minister of justice, the late Ernest Lapointe.

A majority of seats now and in the future are likely to be contested by more than two candidates. The single transferable vote has been used in Manitoba and Alberta with considerable satisfaction for many years.

By the simple procedure of marking the ballot with figures instead of the blunderbuss X, the elector is permitted to exercise his or her franchise to the full, and the constituency

is assured of a member of parliament who goes to Ottawa with a clear and unassailable mandate from a majority of the voters.

Mr. MacNicol: It does no such thing.

Motion agreed to and bill read the first time.

CRIMINAL CODE

PORTRAYAL OF CRIMES BY PICTURES IN MAGAZINES, ETC., TENDING TO INDUCE VIOLENCE

Mr. E. D. Fulton (Kamloops) moved for leave to introduce Bill No. 9, to amend the Criminal Code (portrayal of crimes).

Some hon. Members: Explain.

Mr. Fulton: Mr. Speaker, this bill is designed to amend the Criminal Code to cover magazines and periodicals commonly called crime comics, the publication of which is at the present time legal, but which, it is widely felt, tend to the lowering of morals and to inducing the commission of crimes by juveniles.

Section 207 of the Criminal Code provides, upon indictment, a penalty of two years for anyone who portrays obscene literature, obscene objects or drugs. The purpose is to amend the act by adding a fourth category which would cover the crime comics. Then if anyone distributes or sells such magazines, within the definition of the act, he will have committed an offence and will be subject to the penalty set out for the three categories I have mentioned.

Mr. Cruickshank: That will work against your political propaganda.

Motion agreed to and bill read the first time.

CARDINAL MINDSZENTY

ARREST IN HUNGARY—PROTEST OF ARCHBISHOP VACHON

On the orders of the day:

Mr. E. O. Bertrand (Prescott): Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs. On December 29 last an Ottawa newspaper, *Le Droit,* made public the text of a telegram addressed by His Excellency Archbishop Vachon to the Prime Minister urging the Canadian government to protest to the government of Hungary against the arrest of Cardinal Mindszenty. Will the Secretary of State for External Affairs let the house know whether any action has been taken by the government in this connection?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, the hon. member was good enough to give me notice of his question, and I am now in a position to reply. I hope my reply will be acceptable as an answer to a question put on the order paper by the hon. member for Pontiac (Mr. Caouette).

The arrest of Cardinal Mindszenty, announced by the Hungarian government on the 27th of December, has caused deep concern to all free and democratic nations. The Canadian government strongly condemns and deplores this further case of religious persecution by the communist government of Hungary, as it would any case of religious persecution in any country.

In a broadcast on New Year's day, the Prime Minister stated:

> Providence will not abandon men of good will. We are fortunate to be living in a land where religion is respected by all, and the religious authorities have the fullest freedom. We are all apt to take such freedom for granted.
>
> But the increasingly brutal persecutions of religious leaders in countries behind the iron curtain have shocked all civilized people.
>
> Such examples remind us how precious is the personal and religious freedom which is our birthright.

The day after the news of Cardinal Mindszenty's arrest was received, Canada, as a signatory of the treaty of peace with Hungary, took immediate steps to secure all the available information on the matter, with a view to taking any action under the peace treaty which might be effective in halting religious persecution in Hungary.

The value of a joint declaration with other signatories of the treaty of peace protesting the action of the Hungarian government in arresting Cardinal Mindszenty was examined. It was found, however, that such joint action was not possible, and indeed might have had an effect contrary to that which was desired.

In the circumstances, and acting for itself, the government, having no diplomatic representative in Budapest, instructed our ambassador in Washington to communicate with the Hungarian minister there as follows:

> The Canadian government has learned that the head of the Catholic church in Hungary, Cardinal Mindszenty, has been arrested on charges of treason, espionage and illegal currency transactions, which, on the basis of the evidence submitted and in the light of Cardinal Mindszenty's previous record as a Hungarian patriot and fighter against oppression and tyranny, do not command respect.

That is diplomatic language for, "We don't believe them." The note goes on to say:

> The Canadian government has also learned that the Senior Bishop of the Lutheran church in Hungary was arrested in September last on charges similar to those leveled at Cardinal Mindszenty and was sentenced to two years in prison; and that the Senior Bishop of the Calvinist church has been forced by persecution to flee from Hungary to Switzerland.
>
> The Canadian government, therefore, wishes strongly to protest against a policy which, on the basis of information which we possess, appears designed to destroy religious freedom in Hungary,

and calls attention to the article of the peace treaty with Hungary, to which Canada is a party, and which provides that:

"Hungary shall take all measures necessary to secure to all persons under Hungarian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion, and of public meeting."

The Canadian ambassador delivered this protest to the Hungarian minister, who undertook to communicate it to his government. That is how the matter now stands.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Tuesday, February 1, consideration of the motion of Mr. D. F. Brown for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, when the house adjourned last evening I was speaking with regard to the conditions I had encountered during my visit overseas last August. For a short time today I should like to carry on and describe as best I can the conditions I found in Greece during the short visit I made to that country.

You will all remember that in October, 1940, that country was invaded by the Italians. The Greek people put up a gallant fight and drove the Italians back into Albania. Then their country was invaded by the Germans, who held the country under their control for about four years.

During the German occupation bridges, rolling stock, engines and everything connected with their railroads were destroyed, stolen or taken out of the country in some manner or other. The ports of the country were greatly damaged by the Germans, Italians and Albanians and after the country had been occupied by the Germans great damage was done by the British and United States air forces. Seventy-five per cent of the shipping of the country was lost, including freighters and passenger ships.

Seven thousand villages were burned and destroyed. The forests of the entire country were cut down for fuel or to be exported to Germany and other countries. Even the olive trees were cut down for that purpose. All the cattle, horses and farm machinery were stolen while the Germans occupied the country. During the occupation by the Germans and the Italians thousands of Greek men, women and children died of starvation, tuberculosis or from other causes. There is today very little equipment in the country to take care of their sick.

Greece is a country of 7,500,000 population. Today 700,000 are refugees who have been driven from their homes. They are without a place to live in or without food to eat. Fourteen thousand children have been stolen by the guerrillas and are being taught communism. During my short stay there I saw in northern Greece thousands of people living in United States army tents without food, without clothing and without fuel. I remember seeing those people boiling chestnuts in nothing but water until they were soft enough to eat. Outside of a little bread they had no food at all. In one square mile I saw more starvation, suffering and grief than I saw in all the rest of Europe.

Clothing, bedding, shoes, food, particularly food for children, are all badly needed today. Building materials are greatly needed, particularly roofing materials. Many people could have some sort of shelter if they only had a roof that would keep out the weather. When I see the large surplus of potatoes in my own province of New Brunswick, when I realize the great production of canned fish on both the Atlantic and the Pacific coasts, when I know that farm products are in plentiful supply in Canada today, I wonder if we as Canadians and Christians cannot give some support to these people, who are directly fighting communism, if we could not share with them some of the wealth we have in this country of ours.

In my estimation the people of Greece are not fighting for Greece alone. They are blocking the gateway to the Mediterranean. They are the only barrier between communistic Russia and the Mediterranean and there is little doubt in my mind that Russia would like to have a hold in the Mediterranean, particularly close to the Suez canal. These people are blocking that gateway and, as I have said, they are living under horrible conditions.

If you could visit there you would realize that conditions are such that the country is ripe for communism. If you can get people hungry enough, if they are without shelter, without food, without clothing, you soon get them into a state where they will adopt any ideology. This is particularly dangerous since the communists are so active today in that country.

I have a high regard for those people. During my stay I had the privilege of meeting the King and Queen, who I believe are the only inspiration these people have today, the only encouragement they have to carry on. They are putting up a gallant battle against great difficulties. I think this country should help these unfortunate people to a greater extent than we are doing.

I am convinced that if the members of this House of Commons could see the conditions

that exist in that country they would not hesitate for a minute to do everything in their power to help in every way they could. There were other Canadians and other members of the House of Commons in that delegation. I hope that those members will take part in this debate and substantiate the statements I have made as to conditions there.

We are blessed with plenty in this country, and I make one more appeal to the members of this House of Commons and to the people of Canada. Let us as a united country do everything we can to support these gallant people, who today are doing everything in their power to defend themselves and also, in my estimation, defending the people of this country at the same time.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, it had not been my intention to take part in this debate but for the fact that the leader of the opposition (Mr. Drew) devoted nearly the whole of a two and a half hour speech to a presentation of his views on dominion-provincial relations, views which I regret to say I cannot but regard as being palpably incorrect and ill-informed in many important respects. We on this side of the house would be derelict in our duty if we allowed those views to go uncorrected. The leader of the opposition, for example, said:

> Let me say without reservation that any such statement—

That is, any such statement that Premier Duplessis of Quebec and the premier of Ontario had prevented agreement at the dominion-provincial conference.

> —is utterly false and wholly unrelated to the truth.

I join issue with that statement of the hon. gentleman. I say that no two persons contributed more than those two premiers to the failure of the 1945-46 conference to reach an agreement.

I not only say this but, sir, with your permission I now propose to prove it. While I thus join issue with the hon. gentleman, I wish to compliment him upon having been overwhelmingly eloquent and convincing when dealing at great length with those matters which no one disputes. Surely we all agree, for example, that for Canada a federal state is much superior to a unitary state, and indeed is the only possible state for this country. I think we agree likewise with my hon. friend's statement that—

> For many long years it has been apparent that substantial changes were necessary to bring to its full efficiency and vigour the combined system of national government we describe as confederation.

Who, may I ask, in this assembly would not do everything to preserve and protect the Canadian federal system and constitution under which it operates? I myself am in favour of the greatest possible measure of effective provincial autonomy. Indeed, my interest in dominion-provincial relations, when I served under the present hon. member for Neepawa (Mr. Bracken), was motivated, as his was at that time and I am sure is today, by a desire to make real and effective the provincial rights of my province, which, because of a lack of provincial revenues, were in many important respects wholly illusory.

Likewise, I am opposed to centralization of power in a dominion government as it was centralized under the Bennett government. This was not because Prime Minister Bennett desired that it should be centralized, but because under the conditions of that time several provinces lacked the revenues to exercise their provincial rights, and therefore had to go to Ottawa and submit to Ottawa's conditions, mostly reasonable, in order to secure from the Bennett government dominion funds with which to exercise their provincial rights. This is not provincial autonomy. It is provincial subjection to dominion control, and it exists under the financial plan of confederation.

I also believe in the protection of the rights of the minority for the most excellent reason that the population of my province is one of the most conspicuous minorities in the Dominion of Canada, and is likely always to remain so.

In all of these points of agreement between us, however, I refuse to take second place to my hon. friend, the leader of the opposition (Mr. Drew). Indeed, sir, I claim a prior place to him because while I, during the whole of my public life both in provincial politics and in federal politics, have always held these views, he is a more recent convert to them, as quotations, made so appropriately in this debate by the right hon. the Prime Minister (Mr. St. Laurent) and the leader of the C.C.F. party (Mr. Coldwell), so amply prove.

Let me now set out the points upon which I am in complete disagreement with the hon. gentleman. I disagree entirely with his interpretation of the history of Canada at the time of confederation. As he stated it to this house, it is in my opinion the very antithesis of the historical facts. I object, for example, to his assertion that the Canadian constitution was patterned after the United States constitution and inspired by the Federalist Papers, and that we adopted from that country a system of checks and balances. I suggest that the influence which United States federalism had upon the fathers of confederation in this country was in the direction exactly the opposite to that which he told this chamber that it was. The main circumstance which, in the great republic to the south of us, influenced the fathers of con-

federation was that at that time that great country was being torn to pieces in a civil war based upon the issue of states' rights. If there ever was a time when the United States constitution would make little appeal as a precedent to any nation like Canada, contemplating a federal system of its own, 1867 was the time. I suggest to my hon. friend, the leader of the opposition, that if he studies this matter somewhat more than he appears to have done so far he will get to know—he certainly does not appear to know now—that not only were the fathers of confederation, particularly those of his own Conservative party, anxious not to create substantial provincial rights in Canada, but they were in favour of an outright unitary state in Canada.

If he looks at page 229 of the confederation debates he will see the Hon. John A. Macdonald quoted to this effect, and at page 403 the Hon. John Rose, later Minister of Finance for Canada. On page 690 of Pope's "Memoirs of Sir John A. Macdonald", he will see Sir Charles Tupper's views on this subject. But, owing largely to the efforts of the Liberal leaders of that day, it was made apparent that Canada had to be created on a federal basis. The result of those deliberations was stated by Sir John A. Macdonald in his usual lucid and terse way in these words:

> Therefore, we were forced to the conclusion that we must either abandon the idea of union altogether, or devise a system of union in which the separate provincial organizations would be in some degree preserved. So that those who were, like myself, in favour of legislative union—

That is, of an outright unitary state.

> —were obliged to modify their views and accept the project of a federal union as the only scheme practicable, even for the maritime provinces.

This is from confederation debates, page 29. This same idea has been covered by one of the Liberal leaders, the Hon. George Brown, in these words—confederation debates, page 108:

> There was but one choice open to us. Federal union or nothing. But in truth this scheme now before us has all the advantages of a legislative union and a federal one as well.

It was in consequence of these opinions that we had set up in Canada a federal state strongly centralized in many respects, with all of the residuary legislative powers left by our constitution with the dominion government. In no respect was it so completely centralized as in the financial plan of confederation, the very hub around which revolves nearly all of our problems of dominion-provincial relationship in 1949, as in all previous years. In this financial plan the utmost in centralization was deliberately provided for. The provinces were deliberately left with small revenues, which in some provinces were inadequate from the start, in order that the legal powers which they received under the constitution would be supported as little as possible by revenues wherewith to pay for exercising them. The idea was that after a short trial with that sort of federal system they would ultimately, in the language of Sir A. T. Galt, "at no distant day be enabled to do away with those artificial boundaries which separated one province from another, and come together as one united people"—without any provinces. The last three words are mine.

Mr. Smith (Calgary West): That is obvious.

Mr. Garson: It is noteworthy that the leader of the opposition's Halifax speech, and all of his earlier speeches, are in keeping with this Conservative centralizing tradition, but he is slipping away from it since he became leader of His Majesty's opposition.

Let us look at the financial plan of confederation. It gave to the national government unlimited powers of taxation with which to take care of the cost of national matters, which even at confederation was very considerable. To the provinces the dominion government was to pay a subsidy. It was considered that this subsidy, together with the provinces' returns from their natural resources and other local revenues, would be sufficient to take care of the small cost of the simple machinery of provincial administration without imposing any provincial taxes at all. But against the chance that provincial taxes might be required, the provinces were given the power to impose unpopular direct taxes, such as income tax, corporation tax and death duties. At that time these unpopular taxes were not in use by any government; and the fact that the provinces could get the extra money they required only by the use of unpopular taxes was intended to make them prudent and economical. In a speech at Sherbrooke in 1864 the architect, the man chiefly responsible for this financial plan, Sir A. T. Galt, gave a full and clear statement of how it was to work. This is what he said, in part:

> Now, one objection to confederation was made on the ground of expense and in order to meet this every effort had been made to reduce the cost of the local governments so that the local machinery should be as little costly as possible, for it would not do to affront the intelligence of the people and tell them we had devised an expensive kind of machinery to do a very insignificant amount of work.

Imagine telling that to any provincial treasurer, with the duties a provincial gov-

ernment has to carry on in these days. Further on in that speech he said:

> It was not intended to hold out any inducement to future extravagance to local governments but it was hoped that by the operation of natural causes, such a check would be put upon expenditures as would bring them down to the lowest point or at least prevent them from becoming lavish . . . If they increased their expenses in proportion to their growth of population, they would be obliged to resort to direct taxation and he thought that they might trust the people themselves to keep a sharp watch over the local government lest they should resort to direct taxation.

Well, sir, how did this limited and static conception of provincial responsibility, as set out in this speech and written into our constitution, where it remains today, work out? It did not work. The proposed subsidies to New Brunswick and Nova Scotia were twice increased during the negotiations before confederation, and Nova Scotia ran into a heavy deficit immediately after confederation. From having heard him on previous occasions I imagine the leader of the opposition (Mr. Drew) may say, "Well, that is because the subsidy system does not work," but I would dispute such a statement. It was not due to a defect in the subsidies as such; it was due to the concept that the provinces had an insignificant amount of work to do and that the financial provision for that work could be correspondingly niggardly and inadequate.

In Manitoba our experience was somewhat more fortunate. With us this financial arrangement, it is true, with some modification, worked reasonably satisfactorily until 1911; but with us it broke down completely under the great changes brought about by the first world war. The reason for the breakdown is simple and obvious. The insignificant amount of work the local governments were required to do in 1867 had increased in cost many times. I believe that if you take the figures for dominion, provincial and municipal expenditures upon those matters which ordinarily come under provincial jurisdiction, such as education, health and so on, for the whole of Canada, the increase is about 1,200 per cent or twelve times between 1867 and 1937. Obviously revenues which had been provided for the needs of the provinces in 1867 were utterly and completely inadequate to meet the incomparably higher costs of the 1930's and 1940's.

Thus, sir, the leader of the opposition is palpably in error when he says that we followed the United States of America with its emphasis upon states' rights, and its checks and balances. On the contrary, some of our leading Canadian statesmen did not want a federal system at all. When reluctantly they were forced to accept one they made it as strongly centralized as they could, and in no respect more so than in the matter of its financial provisions. The leader of the opposition, therefore, is under a complete misconception with regard to the Canadian constitution, which is the central point in all these discussions that have been taking place these last ten years. No matter how logical might be the reasoning he applied to the set of premises which is infesting his mind, how could he reach a sound conclusion when he began with such premises?

The fact is that in all these efforts that have been made by the majority of the provinces of Canada during the past ten years with the assistance of the dominion government, but with the minimum of help if not outright opposition from the provinces of Ontario and Quebec, they have been trying to cure this centralist financial plan by providing not one or two but all the provinces of Canada with adequate revenues to fully exercise their provincial rights.

For as long as this plan remains unchanged it creates for the provinces a treasury problem which has varied in size and in intensity as between one province and another roughly in proportion to the taxable resources of the province. In the wealthy provinces, it is true, the problem has been almost completely obscured by their wealth, and thus it has not occurred to them as being a problem even in bad times. But in the less wealthy provinces this problem exists at all times, and is much more painfully apparent in bad times.

The problem is a simple one and can be stated in a short sentence. Under modern conditions the provinces do not have enough revenue, under this financial plan of confederation, to pay for the exercise of their provincial rights. Thus the rights the provinces possess at law, which are guaranteed under the constitution but for which they cannot pay, they do not possess in fact. In this way for most of the provinces of Canada, for all seven that signed this agreement, their provincial autonomy was impaired. However, it is not only provincial autonomy which is impaired. The dominion has no legal right to perform provincial functions, under our constitution; and the result is that if the provinces cannot pay to have them performed they remain unperformed, and the whole scheme of government under our constitution breaks down.

For these reasons it is difficult to understand those who argue that if the provinces enter into a tax agreement with the dominion government we are centralizing power in the dominion. Surely, sir, such an agreement does the exact opposite. It decentralizes political power in this country by increasing the effective rights of the provinces; and if the rights of the provinces are not effective, of what use are they to any province?

One of the key recommendations of the Rowell-Sirois commission, which was appointed to investigate and find a solution to this problem, was that income and corporation taxes and death duties should be imposed exclusively by the dominion government, and that in return for their loss the dominion government should make subsidy grants to the provincial treasuries and also relieve those treasuries of some of their current financial burdens. As we all know, an attempt was made in 1941 to secure agreement among the provinces to implement this report, but unfortunately this attempt was unsuccessful. Shortly afterward, however, the urgent need of maintaining war production in Canada necessitated the provinces and the dominion entering into the wartime tax suspension agreement. Under this agreement, the Sirois recommendation that the dominion government should be the only one in the income and corporation tax field was put into effect, upon the condition provided for in that agreement that the dominion government should make substantial grants to the provincial treasury.

These agreements, as their name would indicate, lasted for the duration of the war and one year thereafter. What, sir, was the experience of the provinces under these agreements? Were all the dire prophecies that were uttered by the premiers who walked out of the 1941 conference realized? No, sir, they were not. The experience of all the provincial treasuries, wealthy and not so wealthy, under this agreement was exceedingly favourable. All of them showed annual surpluses as long as the agreements lasted. The aggregate of these surpluses in some cases reached substantial figures. On ordinary account, those in the case of Ontario, for example, were $46,812,000; in the case of Quebec, $88,731,000. It could not be argued that, under these agreements, the wealthy treasuries were being prejudiced in any way.

Now, sir, this government realized that when the wartime tax suspension agreement ran out it would be disastrous for the majority of the provinces to return to the conditions which prevailed before the war. The dominion government, therefore, called the provinces together in a conference in August, 1945. The dominion made certain proposals to this conference, with the details of which I have no intention of detaining the members any longer than to point out, that if the provinces would continue to permit the dominion to have exclusive control over income and corporation taxes, as well as over death duties, then the dominion treasury would pay to the provincial treasuries substantially more money than had been paid under the wartime tax suspension agreement under which these treasuries had flourished so well.

In addition to that the dominion would bring in, for the benefit of the Canadian people, the most extensive program of social services that had ever been brought down by any Canadian government up until that time, as well as a public investment program which was to be worked out in collaboration with the provinces.

K. R. Wilson, one of the most competent financial journalists in this or any other country, made an estimate, I think the only estimate available, as to what it would cost the dominion to implement those proposals. He estimated it would cost no less than $600 million per year, which compares with the pre-war peak collections of $117 million per year which all the provinces obtained from income, corporation taxes, and death duties. It could not therefore be argued by any fair-minded person that this offer was in any sense an ungenerous one.

I have been told by a very well-known authority, whom I have no intention of quoting, Mr. Speaker, because it was a private conversation—this man was from Australia and an expert in his field—that this was a far more generous offer than the federal government had ever made to the states of that country.

This conference met in August, 1945, to consider these proposals. After five days the conference was adjourned, to meet again in January 1946. These negotiations which had been under way had produced at least one point of agreement upon which all the provinces and the dominion were unanimous, but which the hon. leader of the opposition, strangely enough, neglected to mention in this debate. One of his main arguments, as I have understood it, and I hope he will correct me if I am wrong, is that when the provinces sell or rent to the dominion their main tax field of direct taxation for an increased subsidy, however large, they lose their financial responsibility because they then lack any major provincial tax field in which such financial responsibility can be exercised. This is an argument with which I agree. In other words, the exercise of a financial responsibility is the balancing off on one hand by the treasury of the desire to be popular by providing more services for the people, against the desire to be popular by not imposing taxes upon the people. A tax field is required in which to exercise that responsibility.

If we stop at that point of my hon. friend's argument, as he did, it is not a bad argument. It is quite a good argument.

Mr. Drew: Mr. Speaker, since the hon. member has asked whether or not I agree, may I point out that, at no time during that

conference, did I use the term "sell", but used the term "rent", as he is well aware, because we were not prepared to give up our taxing powers. The same point was made by Premier Macdonald and Premier Manning, as well as by Premier Duplessis and myself.

Mr. Garson: I entirely accept my hon. friend's interjection because it has no bearing on the point I am making, whether it is sold or rented.

As I was saying, if we stopped at that point, as he did, this would be a good argument. With a singular lack of frankness the hon. gentleman at this point failed to tell the house that, to replace the field of direct income, corporation and death taxes, it was unanimously agreed that the dominion was to delegate to the provinces for the duration of the agreement the right to levy retail sales taxes within specified limits. In other words, one major tax field was to be replaced by another and the subsidies, at the same time, very substantially increased. I suggest, Mr. Speaker, this makes all the difference. For the sales tax is a productive field towards which, and away from state income taxes, there is a noticeable trend in the state governments of the United States within the past few years.

The negotiations were again resumed in the latter part of April and the early part of May, 1946. It was not until Monday, April 29, that the Ontario government, under the leadership of the hon. gentleman who was then Premier Drew, brought down its final counter proposal, the main feature of which was the Ontario formula for arriving at the rental which it would accept for the income and corporation tax fields. I do not have any hope in the world of being able to paraphrase this formula so I think I had better read it to the house. Certainly, it is a masterpiece of lucidity.

It reads this way:

> In presenting this formula the Ontario government submits that until the balancing factors are determined by way of principle the basic figure cannot be settled with any arithmetical accuracy.
>
> There would be a determined minimum per capita payment which, for convenience, can now be described as "X". The total annual rental to be paid by the dominion government to each province will be "X" dollars multiplied by the gross national production per capita for the year before the payment, divided by the gross national production per capita for the year 1941, multiplied by the population of the province for the year preceding the rental payment, or the minimum actual payment of "X" dollars multiplied by the population of the year preceding payment or of 1941 whichever is the greater. This may be set out in the following algebraic form with the preceding year being referred to as 194*y*

$$\text{"X"} \times \frac{\text{G.N.P. per capita } 194y}{\text{G.N.P. per capita } 1941} \times 194y \text{ population}$$

> subject to a minimum payment.
>
> Or, in the alternative:
>
> "X" x 194*y* population } whichever shall be greater
> or
> "X" x 1941 population }

Mr. Jackman: Who helped you with your income tax form?

Mr. Garson: I need not tell you, Mr. Speaker, that following this submission, the next few days were taken up with attempts to determine what the unknown X and Y were, and to ascertain what they would produce in money rental for these tax fields, and also in endeavouring to get some definite figure from the province of Quebec as to what it would consider an adequate rental.

When the Ontario formula had been clarified to the point where it was possible for the then Minister of Finance, the Right Hon. Mr. Ilsley, to make an estimate of the additional costs to the dominion government of the Ontario proposals, he did so. On May 3, he submitted his findings to the conference. He estimated that in the year 1947 the absolute minimum increased cost of the Ontario proposals would be $134 million over and above the cost of the dominion proposals, and then he added this rather significant sentence. I am certain that his figures have never been challenged, and if anyone wants to challenge them today I will take up the challenge with the figures I have here. He said:

> This would mean that if the proposed tax transfers and subsidies suggested by the province of Ontario were accepted, they would total something like $50,000,000 more than all the provincial revenues, including the dominion subsidies, before the war.

Mr. Drew: Mr. Speaker, when the hon. member says it was not challenged I feel sure that his memory must be failing, because it was challenged and these figures were described as nonsense.

Mr. Garson: Yes, they were, and the reply of Mr. Ilsley was that if you could refute them it would be much better than calling them nonsense. I will say that my hon. friend, as he so often does, challenged them by calling them nonsense. That is not the way to challenge figures.

Mr. Drew: They were Mr. Ilsley's figures.

Mr. Garson: May I say that I would be delighted to take my seat now and have the hon. gentleman rise in his place and point to the time when he has ever challenged them by refutation and not by calling them nonsense.

In other words, sir, this hon. gentleman, who the other day descanted at great length about the iniquities of the subsidies system and how it corrupted the governments which had received them, what a terrible thing it was, how it abused provincial rights, was talking about rights almost every one of which had been won by Sir Oliver Mowat in the courts against Sir John A. Macdonald at a time when the dominion government was paying large subsidies to the government of Ontario.

But this gentleman, who objects to the whole subsidized system as iniquitous, suggests that he is willing to make a deal with the dominion government for these tax fields provided the dominion will pay the provinces, not this small amount that would have corrupted anybody, but $50 million more than all provincial revenues from all sources before the war. This was on the morning of May 3, 1946.

An hon. Member: But this is 1949.

Mr. Garson: I am talking about the conference in 1946. The hon. member is three years behind.

Mr. Graydon: The minister is ten years behind.

Mr. Garson: The hon. gentleman replied to this disclosure by Mr. Ilsley—I do not want to get these hon. gentlemen mixed up. I am referring to the present leader of the opposition (Mr. Drew), the then Prime Minister of Canada.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Garson: Mr. Speaker, I must apologize for having referred to the hon. gentleman as the then Prime Minister of Canada. I was talking about the year 1946 and I think that is as close as he will ever get to being Prime Minister. I should have said the then premier of Ontario, to which I am sure he will take no exception. When Mr. Ilsley pointed out these facts, was he embarrassed by the size of his demands? No, he was not. He said that he and his colleagues had not been haggling about money and that they were not there as clamorous beggars asking for a handout. But, said he:

> The government of Ontario has gone the very limit in making agreement possible, and when I say that it has gone the very limit I mean that it is prepared to make adjustments in detail, but not adjustments in principle or adjustments in regard to the net overriding amount which it receives.

It must get that much money. This quotation will be found at page 595 of the record of the proceedings. Therefore when my hon. friend goes about the country, and comes into this chamber, and says that Ontario was very fairminded—"We never took a take-it-or-leave-it attitude"—may I say that he did not take a "take-it-or-leave-it attitude" as to details, but his ultimatum applied only to the principles—and to his money—the overriding amount of his money.

Well, sir, once the nature of the Ontario stand became apparent the conference was finished. There was no more eloquent proof of that fact than Premier Duplessis' empty seat when the conference resumed after lunch, and after these disclosures had been made in the morning.

Mr. Drew: Let us keep the record straight. The hon. member is well aware that Quebec was represented at that conference until the last moment and that Mr. Duplessis had a representative there.

Mr. Garson: I am not talking about Premier Duplessis' representative, I am talking about Premier Duplessis. May I say, Mr. Speaker, in fairness to Premier Duplessis, that throughout this matter he had preserved great courtesy. He had preserved a courteous reticence as to the amount of rental which Quebec would accept or, indeed, as to whether it would accept any at all. When he left he was courteous enough to leave behind a note which read as follows:

> The prime minister of Quebec for reasons already stated many times at these meetings and owing to pressure of business has been obliged to leave for his office in Quebec city.

I do not blame him for leaving. Probably all of us would have been sensible had we left at that time. I suggest that Premier Duplessis knew perfectly well what the effect of the proposals of his collaborator, Premier Drew, would be upon the conference as soon as the unknown quantities in the Ontario formula became known.

It is on the basis of these facts that I submit to this house and to the Canadian people that the conference broke up because, after nine months of negotiations, Quebec would set no rental whatever and because Ontario demanded rentals which were $50 million more than the entire amount of all pre-war provincial revenues from all sources. It is in the face of these facts that the hon. member for Souris (Mr. Ross) has the impudence —I will say that, sir, if I may—to say that the Right Hon. Mr. Mackenzie King scuttled the conference.

Some hon. Members: He did.

Mr. Ross (Souris): Mr. Speaker, may I—

Mr. Speaker: Order.

Mr. Ross (Souris): I quoted the record last Monday on this matter.

Mr. Garson: Now, if the hon. member will just contain himself.

Mr. Graydon: Mr. Speaker is up.

Mr. Speaker: I do not like to interrupt the minister, but he has exhausted his time.

Mr. Garson: I hope there may be some deductions for the interruptions.

An hon. Member: You had five minutes extra before.

Mr. Garson: I think it is only fair to refer to, and to place on the record, the hon. member's own explanation as to how he arrived at the conclusion that the right hon. member for Glengarry (Mr. Mackenzie King) had scuttled the conference. This is what he placed on the record the other day when he spoke:

> I was sitting in the gallery and had watched the little whispering campaign between the then prime minister and Mr. Ilsley. I do not think I am wrong when I say that the prime minister scuttled the conference.

Well, Mr. Speaker, a person sees two men whispering, and concludes that one of them scuttled the conference. But why pick on Mr. Mackenzie King? Why not Mr. Ilsley?

Mr. Ross (Souris): I heard what he said.

Mr. Garson: Or why not both of them? I suppose it is to settle deep problems of this sort that the electors of Souris sent the hon. member here to represent them. And he settles this deep problem of ethical guilt after listening to this whispering campaign by a procedure of eeny, meeny, miny, mo—and picking the Prime Minister as the man who scuttled the conference.

I suggest that not all the letters the leader of the opposition (Mr. Drew) wrote to the Prime Minister before the conference started, nor the ones he has written since; nor the motions he moved, for adjournment or otherwise; nor the pious ejaculations that he has offered; nor his sanctimonious wishes for the success of the conference; nor his protestations about being a good Canadian, cover up these plain facts that an agreement is impossible if any province demands what the province of Ontario demanded in this particular case.

Mr. Merritt: You have a surplus of $600 million.

Mr. Garson: I should like, in conclusion, to call two witnesses in corroboration.

Mr. Jackman: Collaborationists?

Mr. Garson: I said corroboration, not collaboration. We were not collaborationists; but we have corroboration.

[Mr. Ross (Souris).]

The first of these is Professor J. A. Maxwell of Clark university in the United States, an outstanding authority on dominion-provincial fiscal relations. At page 15 of his paper on recent developments in dominion-provincial fiscal relations in Canada, he says:

> On April 29, 1946, the conference re-assembled at Ottawa to consider revised proposals. After reviewing the two major concessions which the dominion government had made up to that time,—

Professor Maxwell goes on to say—

> —it was then apparent that the key to agreement was in the hands of Ontario and Quebec. Except for minor qualifications, the seven other provinces would accept the revised proposals. The attitude of Quebec was enigmatic although the generalizations of Premier Duplessis were such as to connote the impossibility of agreement . . . Premier Drew was more specific in his demands for Ontario . . . A rough reckoning indicated that acceptance of the Ontario proposals would add at least $134 million a year, possibly $234 million, beyond what the federal government had set as its maximum concession.

And listen to this:

> On this rock the conference foundered on May 3. So large a difference, after negotiations extending over nine months, seemed impossible to bridge.

My next witness is Mr. K. J. Binns, economist to the government of Tasmania.

Some hon. Members: Oh, oh.

Mr. Drew: Far enough away from home this time.

Mr. Garson: My hon. friend says he thinks that is far enough away from home, if I heard him correctly. Well, it is far enough away from home to produce a man who would certainly be divorced from partisan bias in matters concerning this country. And may I say this, that the state of Tasmania is so hopelessly—

Some hon. Members: Oh, oh.

An hon. Member: What do you know about it?

Mr. Garson: —biased in favour of state rights, which would correspond to our provincial rights, that they elect one party in the provincial sphere, and elect the representatives of another party to the federal sphere, so that the state partisans may go to the federal government and watch that the federal government of that country does not injure their state rights.

Mr. Merritt: A good idea.

Mr. Ross (Souris): You did not have to go that far away to find that out.

Mr. Garson: I did not realize I was such a humorist. Mr. Binns came here from half way across the world for no purpose other than to make a complete study of what we had done in this country to settle this difficult problem, one which is also a difficult problem

in the federal state of Australia. He came here to prepare a report for his government, in which he made a comparison between what we had done in Canada in this field, and what was being done in Australia.

Mr. Fulton: Which authority did he consult?

Mr. Garson: This is what he said:

> The premiers' conference resumed on April 29, 1946, but owing to the uncompromising attitude of the premier of Ontario, Hon. G. A. Drew, and the impossible attitude of the premier of Quebec, Hon. M. L. Duplessis, who did no more than reiterate time and again that the British North America Act, 1867, was sacrosanct, the conference broke up.

An hon. Member: Is that all he found out?

Mr. Garson: That is all he found in connection with this matter. I suggest, however, that in the light of these considered, objective and judicial judgments of the conduct of the leader of the opposition, at a time when he was premier of Ontario, it might be advisable for him, the next time he protests so much about his innocence in this matter, to bring forward, if he can—and I challenge him to do so—some judgment of an equally objective character which holds him innocent of breaking up the conference.

Mr. E. B. McKay (Weyburn): Mr. Speaker, on this occasion I should like to speak concerning several matters which affect Canada as a whole and which are of the utmost importance to the people of southern Saskatchewan. One of these matters, which is agitating the minds of farmers across this country, and particularly those of western Canada, is the price they will receive for their wheat during the next few years. They are gravely concerned about the possibility of the federal government being unable to negotiate a long-term agreement with Great Britain, our chief customer, after the current agreement comes to an end.

Another subject of considerable concern to the prairie farmer is the campaign which is now at its height against the Canadian wheat board and which may persuade the government of this country to discontinue the operations of that important body. I do not believe the discontinuance of the wheat board would be popular with most western farmers. They react most unfavourably to the suggestion that the Winnipeg grain exchange might again be permitted to trade in that important primary product, wheat, which in turn would mean that the Canadian wheat board would be replaced completely by the exchange.

Most western farmers, and I believe farmers all over Canada, are opposed to the return of a speculative market in wheat. They have a definite aversion to the Winnipeg grain exchange and this feeling of antagonism is not without some foundation. The farmers do not forget the fact that following the first world war the exchange opened for business in August, 1920, when the price of wheat was $2.75 per bushel, but after it had operated for a little over a year, by October, 1921, the price for the same grade was down to $1.11. They do not forget the low prices that prevailed in the thirties when the exchange was in full operation. According to the Rowell report, page 175, table three, the following prices were shown to have been paid in 1930 in Saskatchewan:

	Price per bushel cents
Wheat	47
Rye	17
Oats	15
Barley	12

No one will deny that the world-wide depression which prevailed at that time certainly would have depressed the prices of primary products, but nevertheless most farmers are convinced that had the Canadian wheat board been still functioning at that time prices would never have been allowed to drop to these ridiculously low figures. I am satisfied that the western producer has accepted slightly lower prices for his grain in the past several years largely because of the prospect of having future prices stabilized and regulated through the wheat board and by means of long-term agreements so that there will be no return to the depressed prices of the thirties.

The western farmer knows full well that he has never received as high a price for his grain as has his American neighbour. This is largely due to the fact that 80 per cent of Canadian wheat is exported while only 20 per cent of the American production is exportable surplus in normal times. It has been possible for the United States to subsidize wheat exports in various ways and to maintain the price level of wheat on the domestic market, something which Canada with her much smaller population would have great difficulty in effecting.

It is obvious that, if the price level of wheat is to be maintained, long-term agreements are necessary. Because of this knowledge western farmers are interested in the fact that the united nations has set up a food and agriculture organization designed for the purpose of studying world-wide production, distribution and consumption of food. The primary objective of the nation members of the food and agriculture organization is to raise the levels of nutrition throughout the world, a most laudable objective. The attainment of the objective of giving every person enough food is dependent upon there

being a satisfactory marketing and distribution agency for agricultural products, and the crux of the whole food problem is marketing.

It would be useless indeed to increase the production of food and it would be equally futile to establish high standards of nutrition unless methods were devised to move the food from the producer to the consumer at a price fair to the producer and also reasonably fair to the consumer. It will also be necessary to keep production throughout the world in equilibrium. It is the feeling of most members of that international body that when nutritional standards are raised everywhere overproduction of foodstuffs, particularly grains, is most unlikely. On the contrary, suggestions have even been made to increase the production by furnishing technical farming knowledge to those areas where such knowledge is lacking and thus make the industry more efficient.

Canada as a great exporter of agricultural products is a member of the food and agriculture organization. Farm organizations everywhere in the country approve of Canada's participation in the activities of that body. They have always been concerned with the depressing effects on the world market of the overproduction of farm products. It is now felt that if nutritional standards are maintained by the nations of the world and raised where they are substandard—in too many cases that is true—there is not the remotest possibility of overproduction of agricultural products.

The next difficulty to overcome is to provide stocks of food at reasonable prices to the consumer and at a price to the producer sufficient to encourage production but which at the same time would not be too burdensome upon any particular state. This will require long-range planning on the part of the international body, associated with other bodies which handle grain such as the Canadian wheat board. The retention of this board is essential to Canada's proper co-operation with international bodies concerned with the distribution of foodstuffs.

By international co-operation of the nation exporters of agricultural products a fair price can be guaranteed to the producer, production kept in equilibrium with food requirements, and at the same time a price established for the consumer based upon his ability to pay. That can be accomplished only by full co-operation between the Canadian government and the united nations organization.

The first task of the world organization will be to set up a satisfactory marketing agency for the distribution of grain. But should the world organization fail to set up a satisfactory marketing agency, Canada will be obligated then to sell on any market available to her, and the historic market is the United Kingdom. It is an established fact that the United Kingdom is short of Canadian dollars because this country is not purchasing a sufficient quantity of British goods. May I suggest that the federal government explore the possibility of removing Canadian tariffs against British goods so that Great Britain will have sufficient exports to this country to enable her to obtain enough Canadian dollars to purchase Canadian wheat, and other products such as eggs, bacon, fruit and cheese. I do not think that we can hope to hold the British market if Great Britain is not provided with the wherewithal to purchase our primary products.

I would further suggest to the government that they explore the possibility of setting up a barter arrangement between Great Britain and Canada similar to those now in effect between the United Kingdom and Poland, and the United Kingdom and Yugoslavia.

The livelihood of most Canadians still depends on agriculture. It is therefore very essential to the well-being of our greatest industry that there be a free exchange of goods with countries, regardless of where they may be, which are willing to trade with us, and thus take the surpluses off our hands which we create frequently in primary products. It does not seem to me that there is any other reasonable way of guaranteeing a price for farm products, and certainly no other method of setting up a stabilized price on a sound economic basis. The C.C.F. supported the British trade agreement because it was sound economics. The agreement was affected, however, when price controls were still in effect in this country. Since that time price controls have been largely removed by the federal government. Because of the removal of those controls the farmer, particularly in the west, feels he has been double-crossed by the government. I think he is quite justified in feeling that way. A ceiling has been placed on the selling price of his chief product, wheat, but there is no limit to the price he must pay for consumer goods.

Why did the federal government remove price controls? Was it because of the pressure of public opinion? Certainly not. In January of last year sixty-six per cent of the people interviewed by the Canadian institute of public opinion expressed disapproval of the government's decontrol policy. That is two-thirds of the population. Therefore we must assume that the government was stam-

peded into the removal of price controls by the Canadian Manufacturers Association and other bodies. I refer to the Canadian Manufacturers Association deliberately because in January of last year at its convention it called by resolution for the removal of price controls as soon as possible. There is little doubt that the attitude of the Progressive Conservative and Social Credit opposition also had much to do with it, for we must not forget that in March, 1946, a resolution was adopted by a Progressive Conservative meeting in Ottawa, reading as follows:

> We are opposed in principle to the continuation of every wartime wage and price ceiling, and restrictive controls.

Speaking in the House of Commons on March 21, 1948, the leader of the Social Credit party (Mr. Low) said:

> Social Crediters are implacably opposed to planned controls.

On the other hand, C.C.F. members have repeatedly pressed the federal government to retain price control but have received very little support from any section of this house. I think recent events have proven, beyond a shadow of doubt, that on that occasion the C.C.F. was right.

Mr. Low: No, wrong.

Mr. McKay: Talk to the farmers and workers and see what they think about it. Controls should not have been removed until surpluses of goods were available on the market.

Mr. Low: There would not have been any surpluses.

Mr. McKay: That is what you think. The C.C.F. is of that opinion still, and believes that price controls should be re-established on consumer goods if ceilings are to remain on the farmer's chief product in the west.

Mr. Hackett: Wage control as well?

Mr. McKay: Wages are now being controlled. The subsidization of essential food products such as milk and butter should also be a part, as it was during the war years, of federal government policy—

Mr. Low: Now you are on sound ground.

Mr. McKay: —so that production may be encouraged, and price levels reduced to the consumer. If it can work during a war emergency it is pretty hard to explain to the general public why it cannot work during peacetime. High prices of consumer goods are causing real distress to disabled veterans, old folks on pension, wage earners, and farmers, because of the prices they have to pay for consumer goods. They are now at the highest level in Canadian history. Big business was aware of the fact, and others too, that shortages of consumer goods would force up prices, and therefore profits would be increased. Neither the wage earner nor the producer desired the removal of price control because they knew from the past experience of twenty-five years ago following the first world war that they would be the ones forced to bear the burden of inflation.

But the government did not listen to the C.C.F. nor to the people who were canvassed by the Canadian institute of public opinion. They permitted the oil companies to increase the basic price of gasoline two cents a gallon on February 6, 1946. The effect of that increase was, of course, to boost the cost of production to the farmer, particularly those of the west who operate, in many cases, highly mechanized farms. On March 1 of the same year the federal government reduced or completely removed the subsidies on wool and cotton goods, which forced up the price of those commodities to the consumer. The government permitted the price of steel to go up $5 per ton even before the wages of the workers were increased, and despite the fact that the Steel Company of Canada, one of Canada's biggest producers, had a profit after taxes of $4 million in 1945.

On April 13, 1946, Canadian farm machinery was allowed to go up 12½ per cent over the protests of this group in the house. The increase in machinery prices also forced up the cost of production for the western farmer, and other farmers all across Canada. Thus the cost of production to the farmer and the cost of living to the worker were increased long before those two groups sought any compensating increase for their produce or their labour. Despite this fact, big business still blames the farmer and labourer for the high cost of living, and I think this is done deliberately in order to divert attention from the enormous profits that have been made since the removal of price controls.

At this time I think it important that we should know just what the farmer and labourer do receive in relation to the present prices of consumer goods. According to figures recently compiled by the Ontario department of agriculture it was found that on a can of tomatoes selling on the local market at from 25 to 27 cents a tin the farmer's share of that selling price was very small, only 3¾ cents. Peas selling on the same market for 16 cents a can returned only 2½ cents to the producer. Rolled oats, which retailed at 14 cents a pound, netted the farmer slightly over 2½ cents. Pastry flour, which sold for 5½ cents per pound, gave the man who produced the grain only 2 cents.

Mr. Low: How much to the government in taxes?

Mr. McKay: That has nothing to do with it; I am showing the proportion the farmer receives. Labour, too, receives but a small portion of the increased prices the consumer pays. In a bulletin released last year by the United States trade commission it was shown that for every dollar wages had increased in the United States, prices had gone up $6.50, or six and a half times as much.

Mr. Mitchell: Would that apply to automobiles?

Mr. McKay: I am sorry; I cannot answer that.

Mr. Mitchell: I thought you could not.

Mr. McKay: These are the figures of the United States trade commission; that is all I know. They are considered reliable. There are no comparable figures with regard to Canada, but certainly conditions here are not very difficult. Therefore it must be obvious that big business alone is responsible for the inflation which distresses this country at the present time. In 1947 corporation profits in Canada were the highest in history, and they are still going up. According to the Nesbitt-Thomson index of dividend payments, basis pre-war as 100, dividends paid by business in September of 1948 were 202, or just twice as great as in pre-war days. The decontrol of prices has been very profitable for big business, and there is not much use of anyone trying to deny it. Therefore the C.C.F. supports the reimposition of price controls on consumer goods, because a large section of the Canadian people are on low incomes and are finding it well nigh impossible to make ends meet with the present high living costs. In the United States, according to the federal reserve board, 35 per cent of those receiving incomes in 1946 had either gone into debt or had just broken even. Canadians must be in an even worse position, because according to statistics our standard of living is not quite as high as that immediately across the line. The reimposition of price controls is the keystone, I believe, of any program for the betterment of conditions for both the farmer and the worker. It must be realized that any adjustments in income tax, wages, pensions or prices for farm products, will be of very little value without some control over the prices of consumer goods.

Another matter I wish to bring to the attention of the government is the inadequacy of the Prairie Farm Assistance Act under present farming conditions, particularly in southern Saskatchewan. Many farmers in the dried-out areas of Alberta and Saskatchewan who require assistance are left out of the scheme as it now operates. The payment of benefits under the act, I believe, should be on an individual farm basis. Many farmers, because they are so unfortunate as not to live in the declared area set aside by the government, receive no award under the act. We have the case of a farmer who may live just across from a neighbour, with only a section or township line between them. The neighbour will receive the bonus and the other farmer will not. I believe the act should also be broadened to include losses from hail and insect pests as well as drought. There are complaints as well that the present payments are inadequate. Farm operating costs have increased enormously since this act was passed by this parliament. In my opinion the awards should be increased to $5 per acre in crop failure areas, with a maximum of $1,000 payable to the farm unit under consideration. This increase might mean a slight charge on the federal treasury, but I submit it would still be a wiser policy to follow than placing the people in those areas on the relief to which they were subjected in those dark days of the middle thirties.

Then I believe the government should give some consideration to the grading of wheat on a protein content basis. If this were done in the southern areas, which are usually the dry areas of the west, higher wheat prices would be realized, as the grain in the south usually has a higher protein content because of the dryness of the climate in that area. Such a plan is operated in the United States, or at least in some parts of that country, and I think the government should put such a wheat grading system into effect in Canada in order that the farmers of southern Alberta and Saskatchewan might realize more for each bushel of wheat they are able to grow, since yields tend to be low in those areas.

Now I should like to say a few words in regard to the need for irrigation in western Canada. Millions of acres of the finest soil in this country can be made productive through irrigation of the prairie land. Water is available in the South Saskatchewan river and other smaller rivers and creeks throughout the region. The United States, and almost every other country in the world, has a better record than Canada with respect to irrigation, and it seems to me about time this country realized that irrigation would be a great benefit to it. It would be a good investment for Canada, since the stabilization of agriculture in areas subject to drought would make for greater western prosperity and a greater

buying power. The proposed irrigation scheme on the South Saskatchewan river and associated projects would irrigate a very large area. The cost would be considerable; but if this scheme were implemented a million and a half acres of excellent land would be placed on a sound production basis. Such a program would add upwards of 250,000 people to the population of the western provinces, and this would make that much greater prosperity and buying power for that area.

The development of a full-scale irrigation program for the prairies would be an investment in the future of this country. I submit, Mr. Speaker, such a project would return enormous dividends to the whole Canadian economy. Millions in new wealth would be created; more jobs would be created and more homes set up. Small industries, such as meat packing, sugar refining and canning could be developed. Many young people would be enabled to secure work who are now forced to go to the large industrial centres east and west of the prairies in order to secure the occupations they desire.

The officials of the Prairie Farm Rehabilitation Act state that large scale irrigation in western Canada is feasible. Many surveys have been made and a small start has been made on irrigation. But, on the whole, very little has been done. I tell the government that people are wondering at the delay. Irrigation should not become a political football. It should not be something about which promises are made on the eve of elections and forgotten afterwards. It is a matter too important to the survival of the people in the dried-out belt of southern Saskatchewan. I believe those people are beginning to realize they must insist upon the government fulfilling its promises. The irrigation scheme should be commenced at once; not next year, not the year after, but right now.

The people of this area desire an irrigation project because they know the climatic conditions are such that, without the moisture which an irrigation project can bring, stability in agriculture is not possible in a very large section of southern Saskatchewan. The federal government should recognize this need and let contracts immediately for the development of the South Saskatchewan river, which is the major project, the Souris and Wood rivers as well as Notekeu and Swift Current creeks and other streams in the south. Only by irrigation can large areas of the south be rehabilitated and properly developed.

Finally, I should like to urge upon the government the raising of the personal income tax exemption to $1,250 for single persons and $2,500 for married folk. Living costs have increased materially since the last budget. If people are to have sufficient income on which to live, greater income tax exemptions are imperative.

I would urge the government to give some consideration to the farmer's wife. This consideration has been asked before on many occasions. I still think it is quite proper that we should ask again that some consideration be given to the farmer's wife, who does so much of the farm work for which she receives so little. When the exemption schedules are being drafted in 1949 for 1950, I suggest that careful consideration be given this matter.

More than that, I feel that the sales tax of eight per cent on a large range of consumer goods should be wholly removed because it has a tendency to increase the prices of these goods and therefore materially affects the cost of living. The burden has already reached such proportions, the people feel that if there is anything of that nature which the government could do it should be done.

Federal taxes are, of course, a very heavy burden for Canadians. The total tax revenue anticipated in the last budget, the budget of 1948, was $2,452 million or a per capita tax of $204 based on our population of twelve million people. For a family of five this means an average tax of $1,021, which is obtained from income tax, excise tax and other federal taxes. The federal government can render a real service to the Canadian people, and particularly to those people in the low-income group, by increasing income tax exemptions and by the removal of the sales tax. If such tax adjustments fall too heavily upon the federal treasury, may I make this suggestion, that the excess profits tax on big business be re-imposed. This tax netted the federal treasury $449 million in the last fiscal year it operated. If the treasury feels the need of additional revenue, this would be a good field in which to seek it.

It is my earnest hope, Mr. Speaker, that the government will give active consideration to the matters I have just reviewed. The western farmer and all people in the low-income group are anxiously awaiting government action on these subjects. They are becoming just a little bit impatient.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I join with those preceding me in extending congratulations, not only to the mover and seconder, but also to the new ministers, the new stars that have been added to the crown, in the person of my hon. friend the Minister of Justice (Mr. Garson), the hon. Minister of Reconstruction and Supply (Mr. Winters), and the hon. minister of external affairs (Mr. Pearson). I feel it is good that new members should come into this house

and be added to the cabinet. They will be able to do no harm to that body.

I have listened with no little interest this afternoon to my hon. friend the Minister of Justice, and I shall shortly refer to some of his arguments. He did impress me, and he must be a good counsel. For, having undertaken a hopeless task, he failed in the end to indicate the government's stand.

I wish to join, too, in congratulations to the new Prime Minister, and in both congratulations and good wishes to my hon. friend the leader of the opposition. I believe it is good to have an infusion of new blood into the house, for parliament cannot exist unless the best possible men are mobilized into public service. Our parliamentary system cannot exist if obvious and outspoken examples of enmity, and declarations of hatred and contempt, occur between members, or when there is a substitution of personal abuse for argument. The people of this country have the right to ask that while we in this house shall be outspoken in our beliefs, strong and fearless in our statements, as befits strong men with strong opinions, we refrain from abuse. Democracy and the preservation of our way of life demands that public debate do not sink to the level of abuse. During the past two or three days there have been said in this house things which might well have remained unsaid. We can carry on parliament only if we maintain its amenities, without which parliament becomes merely a cockpit for the expression of personal enmities.

I shall now deal for a moment with the speech from the throne. Several declarations that appear bear the authority and the authorship of the resolutions passed at the Progressive Conservative convention last October. I refer to the question of assistance to build a transcontinental highway. The clause dealing therewith is sedulously couched in nebulous language in the speech from the throne, and reads as follows:

> A measure for assistance in the provision of a transcontinental highway will also be laid before you.

What the people of Canada want is the construction of that highway. It is necessary for the completion of confederation.

Then there is the matter of social security and the extension of the Family Allowances Act, matters also referred to in the platform of this party. But all the promises are not made here. A few are being made in the by-election in Nicolet-Yamaska. The Solicitor General (Mr. Jean) who, for various reasons, is not in the house today, made a promise of great interest to the people of Canada in the development of our constitutional set-up. On January 23 he promised that Canada soon will have a Canadian in the office of governor general. When asked when that would be he said, "Very shortly." Why should a declaration such as that, representing as it does a major change in constitutional development, be made outside the House of Commons?

I should like first to touch on agriculture, which is of major interest not only to the people of my constituency and province but to the whole of the country. I listened with great interest to the hon. member for Weyburn (Mr. McKay), and with much of what he said I am in agreement. He made one admission which I was glad to hear. He said, in effect, "We supported the government throughout in the British agreement." He gave his reasons. He showed that the hopes of the Minister of Agriculture (Mr. Gardiner) —and in these hopes he was supported by the members of the C.C.F. group—have not been justified. Now my friends to the left are trying to put themselves in the position that this party has always taken and now are supporting the stand taken by the former leader of the party, the hon. member for Neepawa (Mr. Bracken).

My hon. friend still speaks of expert planning and of the control of prices. He condemned the government, and quite properly, in regard to promoting the rise of certain prices. I ask him and his leader why, in the province of Saskatchewan, with a C.C.F. government in power, and with legislation on the statute books which permitted the control of prices, wages and commodities, they left that statute on the books only one year. Its life ran one year from April 1 to April 1. The act lived for one year and then without proclamation was permitted to die. They would be in a stronger position in their request for the continuance of price controls had they in Saskatchewan, where they had the power, carried into effect the policies that they advocate in the House of Commons, where they have not the power.

The wheat situation is serious. The Minister of Agriculture came back from Britain and spoke with unusual vigour in criticism of some of the planners who had failed so to arrange international affairs as to put Britain in a position to purchase our wheat at a fair and reasonable price. The situation with regard to agriculture today is summed up in the words of H. H. Hannam, the president of the Canadian federation of agriculture. He recently said:

> The biggest problem facing agriculture in 1949 is rising cost of the things it has to buy and falling prices of things it has to sell. That in itself will be bad enough. The danger is that it could and might start a trend that could lead the Canadian economy into a period of business recession.

Our trade is diminishing with countries other than the United States. Our exports to all countries other than United States dur-

ing the ten months of 1948 fell by $144 million compared to those of the previous year. This happened despite the extension of credits, and $600 million Canada received in United States dollars or paid by loans to the countries under the Marshall plan. The time has come for the government to tell us what it intends to do with regard to agriculture; whether or not the farmers are to find themselves caught between continued high prices for the things that they buy and lower prices for the things that they sell. Something should be done now. Unless that is done, Canadian agriculture will receive a slap such as it has never received in the history of the country.

On his return from Britain the Minister of Agriculture pointed out the difficulties both here and abroad. The wheat farmers and other farmers have a right to know to what extent the saving clause for 1948 and 1949, 1949 and 1950, in the British agreement, will be carried into effect. Except the Minister of Agriculture and possibly the members of the cabinet, no one knows what happened at the meetings with the British cabinet representatives. In the face of present threatening conditions in the world, as far as agriculture is concerned, and more particularly in Canada, an immediate statement should be made by the Minister of Agriculture—

Mr. Gardiner: If my hon. friend wants an immediate statement I am quite prepared to make it.

Mr. Diefenbaker: I am glad that we are to get that statement, and I trust that as soon as the minister gets the opportunity he will make it.

Mr. Gardiner: It would take only two minutes to make it now.

Mr. Diefenbaker: There are certain things the farmer wants. First and foremost he wants an immediate payment of the twenty-cent participation payment out of the moneys that are his for the wheat sold by the wheat board during the years 1945 to 1948. Second, he wants the Prairie Farm Assistance Act amended to remove the many injustices that today deny farmers fair and proper payments under this act. He wants the area of qualification immediately reduced.

Mention was made of irrigation—and that is one omission the Minister of Agriculture (Mr. Gardiner) could immediately answer.

Mr. Gardiner: Certainly.

Mr. Diefenbaker: I will give him a chance. Why is that omitted from the speech from the throne?—because, as I remember the Rosthern by-election, irrigation was one of the main promises dangled before the farmers of that constituency by my right hon. friend.

Mr. Gardiner: Items with regard to that have been in the estimates year by year for the last three years; and they will be in the estimates again this year.

Mr. Diefenbaker: Those items are for $75,000, $60,000 and $130,000.

Mr. Gardiner: About $2,500,000 last year.

Mr. Diefenbaker: All right; it will take only forty-five years, at that rate, to complete this particular irrigation project.

Mr. Gardiner: It was $2,500,000 last year; I have not said what it will be this year.

Mr. Mitchell: You wanted an answer and you got it.

Mr. Diefenbaker: The people of the prairie provinces, in the areas where irrigation is so necessary to the preservation of their standard of living, require, not $2 million set aside in the estimates each year, but an immediate commencement of this undertaking to the end that 500,000 to 1,000,000 acres will be rendered free from the danger of continued cyclical drought. This undertaking is omitted from the speech from the throne—and it means only one thing, that the promise of this undertaking made in the by-election in Rosthern is about as nebulous as some of the other promises made during that by-election campaign.

I come to income tax—and, in passing, let me say I am glad to see they are getting some reinforcements from some of the back-bench boys whose support for reductions has been characterized by silence for three years, but who now summon up that courage which is so evident in anticipation of a convention—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —of an election. Yes, and conventions, too. They know they cannot win their conventions unless something is done about income tax.

I join with the western agricultural association which recently held a conference in Saskatchewan, upon which occasion they dealt among other questions with the injustices connected with the income tax administration. My leader, and those associated with him on this side of the house, have pointed out over and over again that a government collecting more than $600 million from the people of Canada owed to the Canadian people a substantial reduction in income tax rate as well as an increase in exemptions. I would like some of those in bureaucratic control of government, and who occupy the towering seats of the mighty, to have a talk with farmers. They would learn of anomalies and injustices perpetrated in the operation of the

income tax. And that applies not only to agriculture but to all other phases of national activity as well.

As to the western agricultural association, I want to see established at this session a house committee for the purpose of studying the question of income tax as it affects farmers and labour, so that the entire tax set-up may be revised to make it equitable in the operation and incidence of taxation. Such a committee could hear representations from organized agriculture, as well as from experts in the tax branch and other experts on farm production.

The hon. member for Kamloops (Mr. Fulton) over the years has been most assiduous in bringing before the house the question of reform in income tax, so as to remedy the unfairness in respect of its application to basic herds. This year a change was made, and the Minister of Finance (Mr. Abbott) proudly made the announcement. Cattle producers were encouraged by that announcement; but they are today being discouraged by the several interpretations made in various parts of the country by the several income tax collection agencies. The farmers want to know what is being done to preserve and enlarge their markets. They want to know what is being done to prevent the loss of their markets incident to the mistakes of expert planners. They want to know why the United States market is still embargoed against milk and pork products. They want to know what is to be done in connection with the establishment now of stable and adequate floor prices. As the hon. member for Weyburn (Mr. McKay) has said, they are asking—

Mr. Gardiner: One of the hon. member's questions answers the other.

Mr. Diefenbaker: I am glad to hear my right hon. friend say that, because this is the first time there has been an answer from him on a question which so vitally affects the welfare of Canadian agriculture, and which he brushes aside with such a cavalier answer.

Then, above all, I should like to have from this government, a declaration of its intention to proceed at once with the development of a great irrigation plan for Saskatchewan and on the prairies.

For years the hon. member for Davenport (Mr. MacNicol) has advocated such a plan. He sold the idea throughout Canada. People everywhere realize that only in the encouragement and development of our natural resources can we hope to achieve that destiny which should be Canada's.

I should like now to pass on to the matter discussed by the Minister of Justice (Mr. Garson). My right hon. friend the Prime Minister roused himself to a high state of unjudicial dudgeon on Monday in regard to some of the statements made by the leader of the opposition. All I would say to him is that as far back as June, 1946, he was warned that if he persisted in departing from the principles enunciated by Cartier, and by every minister of justice through the years, including the late Mr. Lapointe, he would place the constitution of Canada in jeopardy, for it would be in control of a majority in parliament.

The Minister of Justice gave us quite a dissertation on history. He dealt with the period of confederation—and, not having the book before me, I accept his conclusions—

Mr. Garson: Thank you.

Mr. Diefenbaker: —knowing that they are not more than excerpts from the records. He called as witness a gentleman from Tasmania, and another from the United States. As he read what Mr. Maxwell had said I was wondering whether his information came from one of the government information bureaux of the time. Mr. Maxwell's conclusions bear so significant a similarity to some of the statements made by the then Prime Minister that I could only wonder what his source of information was.

However, let us get a little nearer home. I should like to quote one of the provincial premiers, a gentleman who sat in my hon. friend's seat during the years of war as a minister of defence. He set out his position when he spoke here in Ottawa on August 6, 1948—I believe he was followed by the hon. member for Quebec South (Mr. Power)—and he pointed out what we on this side have said, that since the war this government had departed and continued to depart from parliamentary procedure, and that it was infringing and entrenching upon provincial jurisdiction.

I should like to quote what Mr. Macdonald said, for his views are identical in this regard. No one can say that he was a nonpartisan friend of members of this government. Here is the news report of what he said on August 5 when the then Prime Minister sat behind him:

> "You have here one great nation," he declared, "in all its affairs and in many other aspects as well. But then within that great nation you have nine other units which have their own rights, their own privileges which they are not going to yield willingly to the central government here at Ottawa."

That is exactly the stand of the leader of the opposition (Mr. Drew). Canadians are not interested in learned descantations or declamations of what was in the minds of those present or what was discussed at the time of confederation. What they are interested in is that the confederation pact shall be upheld in law, in spirit and in fact, and that

it shall not be departed from either in the guise of the emergency doctrine, which was used for quite a while to permit the government to infringe upon provincial jurisdiction, or for any other reason. Now with the passing into desuetude of that doctrine the Prime Minister claims that the federal authority can infringe upon provincial jurisdiction as long as what is done has to do with the defence of this dominion.

That theory is capable of infinite interpretation and expansion. If that doctrine be true, if all the world stands in peril internationally, then the government, having vacated the emergency doctrine, can now embark upon a new doctrine that is capable of infinite expansion in invading the field of provincial rights. I will continue to read the report of what Mr. Macdonald said, as follows:

> We have sometimes been told that provincial rights are meaningless unless you have adequate revenues to carry out the responsibilities. I agree that there is more than one way to get the revenue and I am not sure that we have gone about it the right way in this country. I believe we should divide the field of responsibility between the dominion and the provinces and then you should decide—and I believe it can be done—what each political unit should have and give to it those sources and fields of revenue which would be adequate to enable it to discharge its proper constitutional responsibilities.

In epitome, it is largely the view that was expressed the other day by the leader of the opposition.

I do not know whether it was under the emergency doctrine that allowed this government to circumvent and then amend a statute of this parliament, the Immigration Act, by an order in council passed in September last. I thought that the days of orders in council that were not made public until they were pried loose ended in the fall of 1946. That order in council carries into the days of peace the conduct of this government in the days of war when statutes passed by the representatives of the people were amended, suspended or abrogated.

I can give another example. The Minister of National Health and Welfare (Mr. Martin) will remember what was done in connection with the building of a hospital at Moose bay in the north country.

Mr. Garson: Which province was that in?

Mr. Diefenbaker: You will have to look at the order in council. It provides for the expenditure of approximately $1,500,000 when as a matter of fact the expenditure had been passed by parliament year after year from 1945 on. Under order in council the government rushed in and awarded a contract to a Windsor firm, after consultation with other contractors, at five per cent upon cost. There is another example of the use of orders in council by the government contrary to the rights of parliamentary government. There was no reason for haste in February of 1948 to hire a contractor by order in council when the moneys had been available over a period of several years.

I have mentioned the emergency doctrine whereby the government for a long time during and after the war placed the dominion in the position of a landlord having the power to vacate the provinces from any field of legislation that it desired and putting the provinces in the position of tenants at will of their legislative powers.

The Prime Minister now extends it to the defence doctrine. He complains that he has been misrepresented regarding the rights of minorities and the meaning of the constitution. The reason he finds himself in his present difficulty, in so far as section 133 is concerned, is that in the legislation which was introduced in 1946 there was given to the representatives of the people the power to pass an address by a simple majority and thereby to amend that portion of the constitution.

In taking that position he has departed from the experience of the years since 1867, and in particular from the declarations of the Right Hon. Mr. Lapointe, one of his predecessors as Minister of Justice. I remember well his dealing, on the 6th June, 1946, with placing in the hands of a majority in parliament the right to amend the constitution of our country. That course is a danger to the rights of minorities—and we are all minorities in this country—and particularly to the rights guaranteed under section 133 of the British North America Act. I had the honour to follow him when he introduced the resolution in this house. At that time I used words which were applicable then, and the experience of the past three years has borne out how dangerous it is to the spirit of Canadian confederation to accept the doctrine of amending serious and definitive portions of the constitution without consultation with the provinces. I said this:

> Parliament is being asked to change one of the sections—not a section thirty-one years old, but one going back to confederation itself—upon which confederation was based. The Conservative party, and the Progressive Conservative party, since confederation has believed in change based upon experience; but it believes that the constitution is the bedrock of the rights of minorities and will resist changes in that constitution, without consultation with the provinces, under which the rights of the provinces will be affected or under which minorities may be affected. Parliament is being asked to pass an address which tomorrow will become a precedent which may be used to destroy the rights of minorities if in this house there should be a majority desiring to do so. This is an example of the dangers inherent in not requiring consultation with

the provinces about amendments not directly concerned with the division of powers between the dominion and the provinces, which by the way are the only ones the Minister of Justice says cannot be amended without the consent of or consultation with the provinces. Under the procedure of amendment in the address section 133 and many others might be repealed or altered by means of an address passed by a majority in parliament. This, sir, indicates the dangers inherent in this haphazard manner, this novel scheme which is now before the house, of amending the constitution.

Then the Prime Minister, then the Minister of Justice, denied that anyone should regard with fear and trepidation the danger to constitutional rights under the British North America Act. He was warned by several of us on this side of the house about the danger to which he was subjecting the constitution, a danger which is apparent now and will become more apparent as the years go by. The Prime Minister in his address in this debate asked, when did the government ever interfere with the rights of the provinces. Well, sir, they tried in October, 1945. They introduced Bill No. 15—the national emergency powers bill. We on this side of the house who opposed that bill took our stand against it in view of the fact that several sections constituted an invasion of the inherent statutory jurisdiction of the provinces. Section 3 (1) of that bill reads as follows:

The governor in council may do and authorize such acts and things, and make from time to time such orders and regulations . . .

And so on. Then we have these words:

It is hereby declared that the powers of the governor in council extend to all matters coming within the classes of subjects hereinafter enumerated, that is to say:

(a) production, manufacture, trading, exportation and importation.

The manner of manufacture.

(c) transportation by air, road, rail or water.

Transportation by road.

(f) appropriation, control, forfeiture and disposition of property and the use thereof.

These matters were comprised in the original bill. The government asked for these powers, which were finally prevented by the opposition from becoming the law of this country. The Prime Minister, by his own action in 1946, in order to find a short-cut to secure passage through this house of an address, is responsible for a danger that exists today—the amendment of the constitution by a simple majority of parliament.

There are other matters to which I could make reference, but I want to conclude. I reiterate the necessity for action now in the building, extension and development of a great irrigation plan in western Canada; for amendments to the Prairie Farm Assistance Act, and, I repeat, the necessity for a declaration now by the government of its policy on behalf of agriculture. In this country, farmers were deluded over the years by the plans of expert planners, but they are now beginning to realize that the one party that truly placed before this country the dangers inherent in a policy of control by experts was the Progressive Conservative party, and the spearhead of that attack was my hon. friend the member for Neepawa (Mr. Bracken).

Mr. Robert Fair (Battle River): Mr. Speaker, in opening my remarks this afternoon I want to extend the usual congratulations to the mover and seconder of the address in reply to the speech from the throne. Realizing I have only twenty minutes left before the house adjourns this afternoon, I want to devote a little of my time to the contradiction of an editorial which appeared in *Maclean's* magazine of January 15, 1949. The editorial to which I refer is on page 1 and reads as follows:

Floor prices for farm products sound like a good idea. After all, the farmer is entitled to some security. Nobody wants to go back to the days when the price of wheat was so low that a farmer's net return for a season's crop was less than the freight charges to take it to market. But these are not such times. Today food prices are the highest in history. The city man, even with a higher cash income, finds the cost of living has wiped out his gain. The farmer, for the moment, is the man on top. His real earnings are higher than they have ever been. Yet at this moment of unexampled prosperity, taxpayers of the United States and of Canada have to lay out money for crops that are not being used because they cannot be sold at current prices. Washington has been buying potatoes, mountains of them, for two years at a "support price" so high that the American consumer has difficulty paying for all he needs. Now Canada is to do the same thing.

Western farmers, who have been paying off their debts with bumper wheat crops, this year raised more flax than anybody wants to buy. Who is stuck with the resultant surplus? The taxpayer. He is buying it at the handsome price of $4 a bushel. These devices for maintaining farm income might be justifiable if the farmer were in trouble. What shall we say of them now?

Here's the whole world crying for food. Every acre of land ought to be in use for the needed crops —food that can be stored, shipped, eaten by the millions who are starving abroad. So long as governments are willing to buy unsaleable crops at boom prices, land will be misused. And so long as prices are maintained above the levels at which consumers can afford to buy, food needed by the hungry will go to waste.

Essentially, it's the same principle that led to the burning of grain, the slaughter of sucking pigs and the plowing under of crops in the 1930's. This is economic lunacy and we can't afford it.

In my opinion, Mr. Speaker, this editorial is journalistic lunacy; and I hope the representative of *Maclean's* is in the gallery so he may be able to give more information to those unsuspecting people he tried, perhaps deliberately, to mislead in that editorial. First of all, perhaps I should give the net income of farmers for a number of years, and if anyone

wishes to check these figures I think they will be found correct. According to the 1931 census, the farm population comprised 31·7 per cent of the national population, while in 1941 the figure was 27·4 per cent. The net farm income of farm operators, as a percentage of the national income, has been as follows:

1926	17·0
1927	14·9
1928	14·6
1929	9·5
1930	8·6
1931	4·5
1932	4·2
1933	4·1
1934	6·7
1935	7·6
1936	7·9
1937	8·1
1938	9·3
1939	10·8
1940	9·7
1941	8·3
1942	13·0
1943	10·7
1944	12·5
1945	9·9
1946	11·6
1947	11·3

I would point out that the percentage received in 1932 represented $198 for each farmer in Canada. I give these figures to indicate that the farmers of this country do not now and in my opinion never have received their proper share of the national income, with the exception of a few years during the first great war. Compare them with some other people in Canada, whom perhaps the editorial writer of *Maclean's* was trying to educate. I should like to quote a poem taken from *The Western Producer* of January 13 last, and contributed by Eric A. Dowson of Northfield, British Columbia:

World War Three

The owners of shipyards and factory
Heard rumours of pending war
And they plainly voiced their approval
As they voiced it once before.

"Shout angrily your defiance,
Sow well the seed of mistrust,
And set our anvils ringing
Before they turn to rust.

"Breed fear and hate of the foemen
Be they bolshevik fiend or huns,
Make sure of well-earned profits
And we will deliver the guns."

And the workers who work for their masters,
Who turn out the ship and the plane,
They heard of the looming conflict
And echoed the deadly strain.

"Let hate and mistrust keep breeding,
We'll do as we did before.
Make sure of our life-blood wages,
And we'll make the machines of war."

And we who have done the fighting
Look on with a helpless sigh,
For what care we of the profit
When men go out to die.

This poem brings to mind the condition that existed in Canada back in August of 1939, when some of our manufacturers of war goods refused to make any more machines of war unless legislation which had been passed at the 1939 session was removed from the statute books; and I believe the cabinet did nullify that legislation, which provided that these manufacturers would get a profit of only five per cent for their labour.

To the editorial writer of *Maclean's* I would say:

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

In the writing of these editorials, I think it is only right to give both sides of the story. In that way we may avoid creating hate, mistrust and bad feeling and instead help national unity. The editorial writer neglected to tell the people of Canada for whom he was writing that the farmers of this country, who he now says are too well off, provided cheap bread for all Canada during the war. He did not say that for quite a while the millers were supplied with wheat at 77⅞ cents a bushel, bonused by the government. A little later the price paid by the millers went to $1.25 and later to $1.55, where I believe it still stands, though today wheat is selling for $2.20 or $2.25 a bushel. Who is absorbing that subsidy?

Again, not so long ago the then Minister of Trade and Commerce made the statement in this house that the Canadian wheat board would sell wheat to all comers at a maximum price of $1.55 a bushel. At that time wheat could have been sold at a much higher price; but the farmers were paid $1.55. *Maclean's* forgot to tell their readers this. During the war years our farmers also supplied wheat to distillers and others at a subsidized price, but *Maclean's* did not mention that. They also forgot to tell their readers that back in 1931 and 1932 Canadian farmers sold No. 1 northern wheat, the best wheat grown in the world, at 19½ cents a bushel. At that time this editorial writer did not come around and offer to have our rate of interest cut from eight per cent to a more reasonable rate of two or three per cent. He was silent at that time, and so was *Maclean's*. Perhaps they should give some of this information as well to their readers. He also forgot to say that up to the end of July, 1942, the initial price for our wheat was 70 cents a bushel basis No. 1 northern Fort William, even though at that time we had been in the war for three years and the farmers were paying exorbitant prices for the things they had to buy.

I cannot understand people writing editorials like this without giving both sides of

the story. Then there is another item, perhaps small, which comes under the heading of the British wheat agreement. The editorial writer forgot to tell the people that out of the 1946 crop the Canadian wheat board supplied the people of Britain with 160,000,000 bushels of wheat at $1.55 a bushel. I am not blaming the wheat board for that; they were simply administering government policy. Out of the 1947 crop a similar amount was supplied at the same price. Out of the 1948 crop 140,000,000 bushels is to be supplied at $2 a bushel; and according to the latest information the same price will apply in 1949, the fourth and last year of the contract.

Again let me make it plain that we in this group did not object to Britain getting wheat at that price. We felt we had a moral obligation to that country. We feel that should not be the job of the farmers of the prairie provinces, because they are the only ones involved in supplying this cheap wheat to the British people. The supplying of this wheat should be undertaken by all Canadian taxpayers, and the difference between the price under the British wheat agreement and the class II price should have been taken out of the consolidated revenue fund and divided among the farmers who delivered wheat to that pool.

While we were selling wheat at that price, class II wheat being sold by the wheat board to countries other than Britain brought as high as $3.40 per bushel. This group initiated the demand, now taken up by other groups, that the government make up the difference between those two prices. There has been no announcement from the government as yet, but before this session ends I should like the Minister of Agriculture (Mr. Gardiner) or the Minister of Trade and Commerce (Mr. Howe) or the Prime Minister (Mr. St. Laurent) to tell the country just what they intend to do about that money which has wrongfully been confiscated from the prairie farmers.

According to the figures given in the house by the Minister of Trade and Commerce at that time, the farmers lost seventy-seven cents per bushel on wheat sold during that first crop year, 1946-47, amounting to a total of $123 million.

An hon. Member: Which year?

Mr. Fair: The 1946-47 crop year. During the early days of August of last year, after the end of the 1947-48 crop year, newspaper reports were to the effect that farmers had lost approximately $1.29 per bushel on the last year's deliveries. I am not saying those figures are accurate, but based on those figures the loss would total $206 million, making a grand total of $329 million as the apparent loss under the British wheat agreement up to the end of July 1948. What will happen during the 1948 and 1949 crop years we are not in a position to say. As I stated earlier, it would not be fair to say now that is a definite loss. Unless improved prices are obtained, however, before the contract is terminated, then that must be considered a net loss.

Moreover, many people are not aware that our coarse-grain prices were based on the price of wheat under the British wheat agreement. They are not aware, either, that the price of beef and pork was based on the price of coarse grains. This whole matter can be put down to the price of wheat under the British wheat agreement during the years it has been in effect. People are not aware, either, that during the war years, when we contracted to sell large quantities of beef and pork to Britain, there was a guaranteed floor price at the seaboard for the packers but not one single bit of protection for the producer. On many occasions we have asked to have this matter straightened out, but we have not had any satisfaction so far.

During the early years of the war the farmers were told that, if they were content to accept low prices then—and we were told about the need for food in other countries which the farmers and their wives and families delivered in large quantities both overseas and at home—they would have some guarantee after the war was over. The only guarantee the farmer has received is the low price being obtained under the contract. Apparently the "have regard" clause of the agreement does not carry any weight. Judging from newspaper reports, the trip of the Minister of Agriculture (Mr. Gardiner) to Britain brought no benefits. The price for the 1949 crop should have been fixed during December of last year. We find that has been postponed until after the end of the contract period, namely, July 31, 1950. By that time we expect the general election, about which there has been so much talk, will have been held.

On motion of Mr. Fair the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall continue this debate.

At six o'clock the house adjourned, without question put, pursuant to standing orders.

HOUSE OF COMMONS

Thursday, February 3, 1949

The house met at three o'clock.

PRIVILEGE

REFERENCE TO ARTICLE IN "LE CANADA" OF FEBRUARY 3

Mr. Roland Beaudry (St. James): Mr. Speaker, I rise to a question of privilege. May I protest most vigorously against a newspaper dispatch appearing in this morning's issue of *Le Canada* which I consider derogatory both to the leader of the opposition (Mr. Drew) and to myself, and which I believe will be so adjudged by every hon. member. The article, headed "Gorgeous George Drew," is translated as follows:

Mr. Drew, leader of the Progressive Conservative party, this morning went to his hairdresser's. This commonplace event would not warrant underlining if it did not denote a significant state of mind in the Carleton colonel.

Yesterday Mr. Drew brought to the house a head of hair which would have done credit to a zazoo. Whatever that is.

During his speech on the address Mr. Beaudry could not refrain from alluding to this in the following words, which do not bear translation:

"Where we were told to expect master minds we come up against recent prize ring technique. Where we were sold gorgeous George, all we see is a new hair-do."

This afternoon, at the opening of the sitting, everyone noticed with a smile that, in the morning, Mr. Drew had had his hair cut American fashion.

This is my point of privilege and my protest: I did not intend, and I do not intend, to be adjudged the hon. member's tonsorial adviser, much as I shall take great delight in being one of the Carleton Samson's clipping Delilahs.

IMMIGRATION

ADMISSIONS TO CANADA IN 1948

On the orders of the day:

Hon. J. A. MacKinnon (Minister of Mines and Resources): Mr. Speaker, I should like to place on record the following information regarding immigration to Canada during the calendar year 1948.

During 1948 a total of 125,414 immigrants entered Canada. This was the largest total of any year since 1929, and is almost exactly twice as many as came in during 1947, when the figure was 64,127.

Of the 125,414 immigrants, 46,057 came from the British isles, and 7,381 from the United States. Immigrants from northern European races numbered 16,957, including 10,169 Dutch. Other races contributed 55,019 new Canadians, the largest individual groups being 13,799 Poles and 10,011 Ukrainians.

Disposition of the immigrants by provinces is as follows:

Ontario	61,621
Quebec	24,687
British Columbia	11,918
Alberta	9,715
Manitoba	7,750
Saskatchewan	5,087
Nova Scotia	2,813
New Brunswick	1,476
Prince Edward Island	269
Yukon Territory	64
Northwest Territories	14

The movement of immigrants to Canada during this year was facilitated by an arrangement made with the Cunard White Star line which kept the *Aquitania* on the north Atlantic run and provided over 12,000 priority berths for immigrants. This arrangement, but expanded to cover 15,400 priorities, has been continued for the year 1949. The government also assisted in the conversion of a German prize vessel which is now known as the *Beaverbrae* and is engaged in carrying to this country from continental Europe close relatives of persons resident in Canada. Finally, the government has arranged with Trans-Canada Air Lines for 10,000 air passages to be made available to immigrants from the United Kingdom between the 1st of July, 1948, and the 31st of March, 1949.

During the year immigration offices were opened or reopened in Glasgow, Liverpool and Rome.

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, has the immigration branch medical and immigration officers in every European country?

Mr. MacKinnon: No, not in all of them.

Mr. Fraser: In which countries are there no such officers?

Mr. MacKinnon: We are not represented in countries behind the so-called iron curtain.

Inquiries of the Ministry

AIR TRANSPORT

CANADA-AUSTRALIA AIR AGREEMENT—PACIFIC OPERATIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask a question of the Minister of Transport. Did Australia object to Canada's action in changing the Canadian-Australian air agreement by turning the Pacific operation over to Canadian Pacific Air Lines? If so, what is the present status of the matter?

Hon. Lionel Chevrier (Minister of Transport): Notice of the hon. member's question was received by me only a moment ago. If he sent it earlier, I can only say I received it about three minutes ago. My recollection however is that the government of Australia did not make formal objection to the government of Canada in connection with the matter referred to by the hon. member.

INCOME TAX

STOCK RAISERS—DEFINITION OF BASIC HERD

On the orders of the day:

Mr. J. H. Blackmore (Lethbridge): I should like to ask a question of the Minister of National Revenue. Will the minister give the house and country a clear and comprehensive definition of the expression "basic herd" as it is to be used in the computation of income tax by stock raisers during the year 1949?

Hon. J. J. McCann (Minister of National Revenue): I thank the hon. member for having given notice of his question. The department's definition of "basic herd" is contained in directive 230, made public on November 17, 1948. Representations for the modification of this directive have since been received, and are now under active consideration. I shall be pleased to send the hon. member a copy of directive 230, and also to table a copy of it.

INDIAN ACT

QUESTION AS TO CONSIDERATION OF DRAFT BILL BY SPECIAL JOINT COMMITTEE

On the orders of the day:

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I should like to direct a question to the Minister of Mines and Resources, of which I have given notice. Is the draft bill to amend the Indian Act to be presented to the special joint committee on Indian affairs, as was recommended by that committee last year?

[Mr. MacKinnon.]

Hon. J. A. MacKinnon (Minister of Mines and Resources): It has not yet been decided when the bill will be introduced. It may be that we shall reconstitute the committee and ask its members to make a final survey of the bill when it comes from the Department of Justice. This procedure may facilitate agreement between all parties when the bill is returned to parliament. However, this is just my thought and no official decision has been made.

TRANS-CANADA AIR LINES

REPORT AS TO REMOVAL OF OPERATING HEADQUARTERS FROM WINNIPEG

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I have a question to ask of the Minister of Trade and Commerce. Since the continuous removal of Trans-Canada Air Lines employees from Winnipeg to Montreal is a matter of serious importance to the city of Winnipeg, will the government request the company to reconsider its policy and refrain from adding to the concentration of industry in Ontario and Quebec?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, Trans-Canada Air Lines is a crown company, the shares of which are owned by Canadian National Railways, and the shares of Canadian National Railways are in turn owned by the government. Trans-Canada Air Lines is operated by its own board of directors, which board determines the internal policies of the company. I do not conceive it to be my duty as the minister responsible for the air line to intervene in the matter referred to by my hon. friend.

AGRICULTURAL PRICES SUPPORT ACT

QUESTION AS TO PERIOD OF CONTINUANCE IN FORCE

On the orders of the day:

Mr. Victor Quelch (Acadia): I should like to ask the Minister of Justice to what date the Agricultural Prices Support Act has been continued in force by the governor in council?

Right Hon. J. G. Gardiner (Minister of Agriculture): A copy of this question was referred to me before the opening of the house, but it is not a question which can be answered just by giving a date. As the act was first drafted it provided in section 12:

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

The purpose of wording the section in that manner was not to place a limiting date upon the operation of the act, but to permit the governor in council to give consideration to the matter from time to time. It was found last year that we neglected to give that consideration until after March 31, and so the section was amended to read:

Section 9 of the Agricultural Prices Support Act, 1944, chapter 29 of the statutes of 1944-45, shall be deemed to have continued in force from the thirty-first day of March, 1948, until the coming into force of this act and shall continue in force thereafter for such further period as the governor in council may fix by proclamation.

This section was so worded in order to permit the government to give consideration to the matter from time to time. The present order in council sets the date at March 31, 1950, and before that date the matter will be further considered.

FOOD

REQUEST FOR STATEMENT ON CONTRACTS WITH BRITAIN

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): I should like to direct a question to the Minister of Agriculture, and I apologize for not having given him notice. In view of his recent trip to Great Britain will the minister be prepared to give the house a full statement in connection with the British-Canadian food contracts?

Right Hon. J. G. Gardiner (Minister of Agriculture): I have not decided as yet whether I will speak on the address. If I do, I will make a point of saying something about the matter. If not, I shall certainly be prepared to deal with it when my estimates are before the committee, or at any other time the matter is up for discussion.

LABOUR CONDITIONS

INQUIRY AS TO DISALLOWANCE OF P.E.I. TRADE UNION ACT (1948)

On the orders of the day:

Hon. Stuart S. Garson (Minister of Justice): On Tuesday last the hon. member for Vancouver East (Mr. MacInnis) asked me the following question:

Nearly a year ago a delegation representing two major labour organizations in Canada waited on the then minister of justice and asked that the government disallow the Trade Union Act (1948) passed by the legislature of Prince Edward Island. Can the minister tell the house whether the government intends to take action to that end?

My information is that the government of Prince Edward Island proposes at the approaching session of the legislature to introduce a measure to amend the statute in question. Final action on the petition for disallowance has been delayed pending action by the Prince Edward Island legislature to amend the statute accordingly.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON THE ADDRESS IN REPLY

The house resumed from Wednesday, February 2, consideration of the motion of Mr. D. F. Brown for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. Robert Fair (Battle River): Mr. Speaker, when the house rose yesterday afternoon I was dealing with the British wheat agreement. Because the farmers are not particularly satisfied with the outcome of or the returns from that agreement, I should like now to continue with a discussion of the 1949 contracts.

I think it is understood by most people in Canada that there has been a good deal of dissension, both on this side of the Atlantic and in England, in connection with the British contracts. In order to show the feelings of some people in Great Britain I should like to read a clipping from the Edmonton *Bulletin* as follows:

British Press sees Canada Being Slapped

London, December 10 (BUP). The British press got on Gardiner's side today. Notable was an editorial in the London *Daily Graphic*. It said that Canadians feel the Anglo-Danish food deal is being made at their expense, and that unless a full statement is made immediately "grave harm" may be done to Britain's relations with Canada.

The *Daily Graphic* then says it is confirmed that Britain is increasing her purchases from Denmark; it is a slap in the face to Canada and "rubbing salt into the wound," as the newspaper puts it.

Dealing further with the 1949 contracts, I have here an item which appeared in *Canada's Weekly* of December 24, 1948, with the headline, "Mr. Gardiner clarifies the position. 'Canada did not let the U.K. down on any contract.' " Then appears a fine photograph of the minister. I should like to read part of this article, because I think it will throw a little light on the contracts. Perhaps the minister when he speaks will deal with any part of it which is contentious. I quote:

"All of our discussions on food bulk contracts were proceeding satisfactorily until difficulties arose in adjusting the relationship between dollars and sterling. We were aiming at being able to provide the United Kingdom with 350 million pounds of bacon, 125 million pounds of cheese, 75 million dozen eggs and having 400,000 head of cattle which we could dispose of either to the United States or the United Kingdom. We could provide all the requirements of the United Kingdom for wheat and much of the needed barley and oats if long time contracts could be agreed to.

"It was our hope that you would agree to take these quantities and we would be prepared to accept returns for them which would bear a reasonable relationship to the returns which are being provided to your own farmers. Canada and Britain are linked in tradition. Canada and Britain are one in their hopes for the future. We were just beginning to think that at last our common sorrows growing out of war were going to result in lasting joy when the root of all evil, 'money,' entered".

I may say this is a speech that was made by the Minister of Agriculture (Mr. Gardiner) to a Canadian chamber of commerce luncheon in the old country. Dealing with the 1949 contracts, he goes on to say:

To indicate that it was desired that, because of shortage of dollars with which to buy from us, it was expected that we would, as soon as possible, get our quantities of beef, bacon and eggs down to zero. When the United Kingdom traders came over this year they intimated that they could not find dollars with which to buy food, together with other purchases they desired to make, excepting wheat and cheese. They were, after much discussion, prevailed upon to find dollars with which to buy 160 million pounds of bacon and 46 million dozen of dried and storage eggs.

I am not making these statements to be critical of the United Kingdom government or its agents. I am making them to impress upon you the fact that the British people want our bacon, want our eggs, want our beef, want our wheat. I am making them to impress upon you that if dollar requirements had not intervened we would have been in a position to send you in 1949 over 300 million pounds of bacon, nearly 200 million pounds of beef, 80 million dozen of eggs, several hundred thousand barrels of apples, thousands of bushels of beans and much jam, none of which your traders feel you can afford to have from us because of the dollar shortage. We cannot sell the apples, beans, jam and salmon to anyone at any price under the present dollar arrangement, and for the moment we are finding it impossible to dispose of millions of bushels of linseed at 30 per cent less than you are paying others for it. They are taking 140 million bushels of wheat and 50 million pounds of cheese from us because they must have them, and we appear willing to provide them for fewer dollars than any other will supply them.

Then follows a paragraph of which I should like members on all sides of the house to take particular notice:

All this is bringing me to wonder if an unknown economist—or was it Abraham Lincoln or some such individual as Churchill?—was not right when he said that he would rather have the money in his pocket tied to the unthinking inanimate substance called gold which cannot change its mind than to the manipulations of some small group of crackpots who fancy themselves as economists or statesmen.

I take it the minister is referring to officials of the Department of Finance, and as our trading position stands at the present time I think they are pretty well named. In 1945 all parties, with the exception of the Social Crediters and one lone member of the Progressive Conservative party, the hon. member for Broadview (Mr. Church), voted in favour of legislation which is causing much of our present difficulty. I thought I had better place that on record so that people may do some sound thinking before adopting another program of this kind. Further on the minister says:

I barged into a meeting where I was not intended to be the other day and heard one of your members of parliament imply, if he did not say it, that the Marshall plan is creating more communists in Europe than Stalin.

Commenting on that paragraph, Mr. Speaker, may I say that the policies of our present government are helping to create communists in Canada, because the potential production of this country is not being made available to the people, and for that reason people are dissatisfied and turning perhaps to communistic ways of life. Further on he says:

I am not convinced that this latter statement is correct, but I am convinced that the world is not in any state of mind where it can be expected to agree that the manipulation of any system or systems of currency is going to be allowed to interfere with the will of those who have empty stomachs when it is preventing surpluses of food to get to them. It might be a good thing for everybody if they would close down the united nations meetings long enough to permit the United Kingdom and United States experts to get together and settle some basis upon which dollars and sterling can be converted to allow nations like Canada to produce food to feed the starving millions and distribute it. If that cannot be done, then they might provide some means by which we may have an opportunity to fill our country with working people to develop the resources the world needs for its war and other machines, that they may eat the surpluses which are already piling up but which we are not permitted to sell.

I say again, sir, that this is a direct result of legislation that has been passed in this house. It is about time we took action to relieve the suffering of people in other countries, and relieve a lot of the distress in this country as well, by having at least some of the disadvantages arising from that legislation remedied. So far as we are concerned we want to have international agreements, if possible, and we also want to have the wheat board continued. I understand that every day of the week, including Sunday, certain people are asking that the wheat board be put out of business. We want it continued in operation and staffed by the very best men who can be obtained for the purpose. Personally I have no complaint whatever about the wheat board, and so far as I know, my group has no complaint whatever about the management of that organization in the past.

In spite of the advice given in the editorial in *Maclean's* magazine of January 15 last, we believe that floor prices should be established for agricultural products; otherwise you are going to destroy one of the greatest industries in the country. Conditions which people are prophesying for the near future will, if they prevail, tend to destroy our agricultural industry.

I hope to say more about this subject on a later occasion, but in the ten minutes or so that remain at my disposal I should like to deal with one or two other matters.

The speech from the throne says:

> Prosperous conditions now prevailing are being reflected in the buoyant level of national revenues, a condition to which due consideration is being given by my ministers in the preparation of forthcoming budgetary proposals.

I wonder if that is not a breach of confidence, because it is the first time since I came here, and for many years before that, that any reference has been made to the budget in the speech from the throne. Many of the people are looking for drastic reductions in taxation. We of this group certainly favour them, and we also favour an increase in the exemptions from the present $750 and $1,500 to double the amount in both cases. There is no opportunity for a young man to get married today, and start off in any kind of business on his own. In my home town of Vermilion I know of several couples who want to get married, but because of the burden laid upon them by taxation they are afraid to make the venture. They are not able to provide themselves with homes. For that reason I believe the progress of the country is being hindered; for my home town is no different from any other town, city or rural district in Canada.

If the government wants to advance the interests of the country, drastic reductions must be made in taxation. Then there are a number of nuisance taxes. I would ask the government to be kind to the children first of all. At the present time we have a heavy war tax on the "pop" youngsters drink. I am not suggesting that you remove a lot of the taxes on liquor. I hope the youngsters do not drink it; as to those who are drinking it, I do not think it does them very much good. They get a little kick out of it at the time, but possibly get a kick the next day as an aftermath. In the case of Coca-Cola however, and all other soft drinks, I would urge the government to remove the two cent tax so that people may again have their drink of "pop" without the nuisance of the tax.

Again I would suggest that candy bars, which formerly sold at five cents, be made available to the youngsters at that price—and I do not mean in the decreased size which today costs seven cents. Make them bigger and better at five cents each. Give the youngsters a chance, because they have been robbed of their candy bars for a number of years. The hon. member for Macleod (Mr. Hansell) says they now cost eight cents. I have not bought any candy bars for years, so I do not know; but I am taking his word for it.

We have found it necessary to import some fifteen million pounds of butter from other countries. If it were not for the severe income tax that has been levied I believe you would find our own farmers milking their cows and selling the cream to be made into butter. Instead, we are turning our business over to other countries and taking it away from our farmers. Recently I read an article on turkey production in the three prairie provinces. Last year in Alberta there was an increase of about six per cent, but in Manitoba and Saskatchewan there was a large reduction, I believe amounting to 26 to 40 per cent. This production is not good enough. People want turkeys to eat, and taxation should not be such as to prevent them from getting turkeys. We also like to eat pork and beef, but again heavy taxes are responsible for reduced production.

On many occasions we have asked that the trans-Canada highway be built. We appreciated the move made last fall by the Minister of Mines and Resources (Mr. MacKinnon), though last session the then minister of reconstruction (Mr. Howe) and the Minister of Public Works (Mr. Fournier) refused to have anything to do with it. A start now has been made; and we have a demand by many organizations in the west that a trans-Canada highway commission be set up. If this is done we will avoid many squabbles between provincial governments and reach a decision as to the route that highway should follow. The trans-Canada highway should have been built years ago; we should now be able to travel from coast to coast without finding it necessary to travel part of the distance in another country.

On various occasions I have been very much hurt to find that many of our crippled people, old and young, are compelled to live on a bare subsistence level. Last summer I went to the Lloydminster exhibition. After the crowd had left the grandstand and gone to see the sideshows a young girl I have known for years came to me and asked if anything was being done to help the crippled people of Canada. I told her about the national health program announced last session by the Minister of National Health and Welfare (Mr. Martin), and she asked, "Is anything provided specifically for crippled people?" I was sorry to have to tell her there was not, but I said that when I came back this session I certainly would see that the matter was brought to the attention of the minister. He has been good to some people; I hope he will not forget the unfortunate crippled people.

Mr. Martin: Of course under the health program there is a grant to deal with conditions which cause children to become crippled.

Mr. Fair: I understand that children are looked after, but I believe this young lady is close to thirty. Just as I turned away after speaking to her I met another neighbour whom I have known for quite a while; she was being pushed along in a wheel chair by her dad. Neither of these families is in a financial position to look after these crippled people. Our two major parties have been scrapping for the last week or so over their sins of the past, but now I hope the party in power will get busy and do something worth while, and that the other party to my right, the Progressive Conservatives, will get busy and help them. The sins of the past do not help people in the future. We should look ahead and prepare for the future instead of looking back searching for each other's past sins.

On the question of education I should like to read the resolution which was sent to me the other day by the Canadian school trustees' association:

Federal Grants in Aid

Whereas various educational bodies in all provinces are concerned with the present inequality of educational opportunity throughout the nation;

And whereas present sources of finances are insufficient;

Therefore be it resolved that we ask the federal government to give grants in aid in order that the provinces whose needs are greatest may be able to provide equality of educational opportunity.

This is signed by the secretary, Henry E. Spencer, who was at one time a member of this house. I am glad to see that Mr. Spencer is turning again to his old love, monetary reform, because this is the place where credit can be created. This government has that power, while apparently the provinces have not. There is no reason why this government should adopt a dog-in-the-manger attitude by restricting the creation of credit and at the same time refusing to allow the provinces to make use of it. Substantial grants should be made to the provinces to be administered by them without any strings attached.

Old age pensioners also demand better treatment than they have had in the past. We know that the amount given is by no means sufficient to afford them a decent standard of living, and I hope something worth while will be done this session on their behalf.

I have just one further matter to deal with; I refer to soldier settlers. Last session an item of $150,000 was placed in the estimates and passed by the house without any controversial discussion, but that amount does not begin to deal with the problem. The veterans affairs committee, which has done such excellent work under the present minister, as well as under the former minister, Mr. Mackenzie, who has now gone to the other place, unanimously recommended in its report that the veterans be given clear title as requested in the brief presented on June 17 last by the president and secretary of the soldier settlers association. Now, thirty years after the soldier settlement legislation was passed, I ask the government to make the final gesture of giving these men clear title, in the interests of these citizens, whose average age is about sixty though some of them are over eighty. In the name of common sense I ask today that clear title be granted to those who remain in debt to the board.

Mr. J. A. Bradette (Cochrane): Mr. Speaker, I beg the indulgence of the house for a few moments. I know that indulgence will be readily granted, because I have not spoken very often in this house during the last ten years. However, there are times when a member of parliament must express his opinion and voice the sentiments of the people whom he has the heavy responsibility, and honour, of representing in this national forum.

Since we prorogued last summer quite a few changes have taken place in this House of Commons, to which I am going to allude very briefly. First, as one who has been in this house for many years, I want to pay a special, personal tribute, in which I am voicing the sentiments of all my constituents, to our past leader, now the hon. member for Glengarry (Mr. Mackenzie King). When I first came to this house in 1926, Mr. Speaker, I was elected as a Labour Independent; but after I saw Mr. Mackenzie King and the Liberal party functioning in this chamber I went back to my executive and said that unless I was allowed to follow Mr. King and his party—not blindly but intelligently—I would not remain here. At that time I was given carte blanche, and I have never regretted that action.

I sincerely believe, I am sincerely convinced, that under that fine leadership which was supported on so many occasions at general elections in an unmistakable way, Canada has enjoyed years of prosperity, great accomplishments, and a large measure of national unity. It is said when a man gets married people will tell of his faults; he has to die to get praise. In this instance, our revered past leader must enjoy life because, if there was ever a man that was abused in the hurly burly of public life, it was certainly the right hon. member for Glengarry. He is still in public life as a member of parliament, but is no longer leader of his party. Now, every section of Canada, every section of the press, finds it possible to put in proper perspective the fine qualifications of the right hon. member for Glengarry. He must enjoy this because he deserves it. If there was ever a man who gave of himself it was certainly the right hon. gentleman.

I also wish to say a few words of praise concerning the present Prime Minister of this country. I wish to praise him for many reasons, but the primary one is that he was a man with a successful law practice, highly honoured in his province, who was practically conscripted. We all know the circumstances. He answered the call diligently and loyally. It was not very long before this parliament and this nation fully realized the stature of this fine man, with his broad vision and his true Canadianism. I know Canada was proud when last August the Liberal party chose him as its leader. I know Canada feels secure at the present time in the fine leadership he has already given as Prime Minister of this country.

I should like to say a few words about the new leader of the Progressive Conservative party. I was proud of his nomination as leader of that national party. One of the reasons for my pride is the fact that I am an Ontarian. He has made some sacrifices in coming into this field because, as you all know, he was certainly successful in so far as provincial politics were concerned. The hon. gentleman resigned his position as premier of the province of Ontario. So long as it is possible to have men of that calibre enter the field of national politics, this country as a whole does not need to worry very much. It is a sign that there is something great; there is something for which a man is willing to make the necessary personal sacrifices to enter this field. When one considers the actions of the right hon. the Prime Minister of this country and the leader of the Progressive Conservative party, I repeat, people do not need to worry about the future of Canada. It should be secure.

I should like to make a few remarks about the past leader of the Progressive Conservative party. I get mixed up in trying to say the name of that party because my father was a Conservative in the days when they were only Conservatives. I wish to pay him a tribute. Regardless of what publicity may say about the new leader of his party, I do not think the leadership will be more dignified or more Canadian than the leadership he gave. I say that sincerely. No doubt he has brought a lot of his own fine, strong colour, which was mostly Liberal, into the ranks of the Progressive Conservative party. This parliament and the nation as a whole has benefited from his actions as leader of that great party.

May I say a word concerning a new member who has great physical size, and also, it has been stated, great mental stature. I wish to pay tribute to the new member for Digby-Annapolis-Kings (Mr. Nowlan). Before the election he received some praise, not only from the Ottawa *Journal*, which is a Conservative newspaper, but from all newspapers in the maritimes that knew him. It was said he was a well qualified man, highly respected in those sections of Canada which had the opportunity of knowing and appreciating him.

I should like to say a few words about another physical giant who lately came to this house, the hon. member for Rosthern (Mr. Boucher). May I say to him that his predecessor was highly respected by every section of the house. He sometimes found it possible to arouse the ire of hon. members opposite but, at the same time, no one doubted his sincerity. I know that the present member must possess a large measure of his fine qualities.

At this point, I should like to say a few words about the hon. member for Laval-Two Mountains (Mr. Demers). I may have to repeat my words concerning him when I speak about the mover and seconder of the address in reply to the speech from the throne. I should like to compliment him on his maiden effort in this house. He spoke as a true Canadian, and as a man who believes absolutely in national unity. He impressed me as a man who is not going to follow the current, but will breast the head wind. The House of Commons needs men of that calibre. It is always easier to follow the line of least resistance. I know the hon. member for Laval-Two Mountains will never do that because he will follow his own personal inclinations and his own Canadianism.

I should like to say a few words about the new Secretary of State for External Affairs (Mr. Pearson). At this point I find it necessary to answer certain sections of the press who seem to be under the impression that we backbenchers of the Liberal party were impatient at the government for bringing new members into this field. The truth is far from that, because after all, the whole is more important than any part. I praise the government for finding it possible to bring into government circles men of the calibre of the Secretary of State for External Affairs and the Minister of Justice (Mr. Garson). I believe it is the duty of all parties, under any conditions or circumstances, to bring into public life all possible talents of statesmanship. Speaking for myself as well as for the backbenchers, may I say again that we are proud and glad to have within our ranks men of the calibre of those I have just mentioned.

May I also say a word of praise about the member for Marquette (Mr. Garson), the Minister of Justice. Although some sections of the house did not entirely agree with what he said yesterday, all members must have seen in him a real Canadian who will work, not only for provincial autonomy, but also

for national unity. I watched the hon. member for Neepawa (Mr. Bracken), during the course of the remarks made by the Minister of Justice. I am sure he could hear the echo of his own words during the time he was premier of Manitoba. It must have been pleasant for him to hear them repeated by the Minister of Justice in his presence yesterday.

I had the honour and privilege of working under the Secretary of State for External Affairs during 1948 as a delegate to the united nations in New York. Prior to that, a section of the committee on external affairs visited New York. On both occasions we were given the opportunity of seeing him in action. I know I am not revealing any secrets when I say that he was highly respected by member nations of the united nations. My own observations proved this. I believe it is safe to say that any of the higher positions in that organization were within his reach if he had wished them. It is for this reason that I repeat that the Secretary of State for External Affairs is a wonderful acquisition, not only to the Liberal party and to parliament, but also to the whole of Canada. He, also, has made great sacrifices to come here since he had a secure position which he filled to the satisfaction of everyone. I could apply the same principle to him as I did to the Prime Minister and to the leader of the opposition. It applies just as forcibly to the Secretary of State for External Affairs.

Now, I wish to turn my attention to that fine young man, the hon. member for Queens-Lunenburg (Mr. Winters). I wish to felicitate him on his assumption of the office he occupies at the present time. He also was successful in his own calling. In answering the call of his constituents, he came into the national forum. I am positive this young man will go far in the national life of Canada.

I wish to say a few words of praise to the members of parliament who have been made parliamentary assistants. Little criticism has been heard concerning the original appointments because hon. members of this house fully realize the necessity of having younger men groomed for the higher positions. I believe our experience over the last two or three years fully bears out what I have just said. To these new appointees, and to those who were appointed when this system was inaugurated, I wish all possible success in discharging the heavy responsibilities they have undertaken. I am glad to state, and I think everyone will agree with me, that every one of them has been filling his position marvellously well and to the satisfaction of the country as a whole.

I wish to say a word about the mover of the address in reply to the speech from the throne, the hon. member for Essex West (Mr. Brown). A year ago last spring, accompanied by my esteemed friend the hon. member for Davenport (Mr. MacNicol), I visited that wonderful section of Canada which the hon. member so well described as the sun parlour of Canada. I had been there before but I made an extended visit and spent a week in that section of Canada. I went to Kingsville and saw the work being carried on by Manly Miner, the son of Jack Miner. We went to Leamington. Wherever we went, we were always well received. One thing that went to my heart more deeply than anything else was for me, a Canadian of French descent, to go into those sections of rural Ontario, which is predominantly English-speaking and protestant, and see the broadmindedness of the people there, and the friendliness they have towards other Canadians. On several occasions when I was given an opportunity of speaking, I made the wish that it might be possible for my compatriots from the province of Quebec to come and visit those sections of the country and to see the fine spirit prevailing among the population there. I also said that it would be beneficial for them to come and visit the old historic province of Quebec where they would find a great common ground, our love for Canada as a whole.

On this visit I saw things that I believe it is my duty to mention here. On a Sunday morning, in a locality whose name I do not need to mention, I went to mass at eight o'clock. It was held in the basement of the church. There was no superstructure, just a few skeleton beams of steel. After the service I went to see the priest. He said, "Mr. Bradette, we have enough money with which to go on and complete the building, but you will perhaps be greatly surprised and delighted to learn that at least one-third of the money to complete the church has been supplied by English-speaking protestants." That is the kind of spirit that everyone approves from the heart, the mind and the soul.

I wish to say just one word about our present financial situation. To me sometimes the pros and cons of politics and some of the propaganda we hear are fairly baffling. Let us suppose for one moment that, instead of having a fairly good surplus in our budget, we were to have a heavy deficit. What would be the criticism we would hear from every section of the opposition and the opposition press? They would say that this country was near bankruptcy. Now we have a surplus and perhaps it will be large. I have no time to discuss that aspect at the moment. The opposition find it possible to criticize; but, from my experience, I believe it is just as

necessary to have a sound national income as it is to have a sound personal one.

I come to the province of Ontario, in which an election was held last year. Boasts were made, and rightly so, that the government of that province had a surplus of $25 million. Do you think that we Liberals criticized the Conservative administration at Queen's Park for such an accomplishment? Certainly not, because it was a real accomplishment. But there is more to it than that. What did they do with that fine surplus? Instead of doing as the national treasury did—reduce taxation —they increased it. For instance, at the present time we pay a tax of eleven cents per gallon on gasoline. When the federal government took off the gasoline tax and left the matter in the hands of the provinces, the Ontario treasury put it on. They did the same thing with the amusement tax. At that time, when the provincial government had a surplus, we were proud of it. Why should not every Canadian be proud of the present economic situation? I will go this far: I would not be in favour of having a great surplus from year to year. There is a time and a place for everything. Our present hope is that taxation will be greatly reduced in the present budget. But why will that be possible? Purely and simply because the present administration has been courageous and capable, presenting policies which were not always absolutely popular with the Canadian people. But the Canadian people are practical, and they are much happier today with a large surplus than they would have been with a large deficit, and I believe that they like courage.

One must be practical in all these things. I repeat, you may have the pendulum going too far one way or the other. I would not like to see a large surplus from year to year. But we must ask ourselves this question. If the national debt kept piling up by billions and billions of dollars every year, would we be happy then? Is it not true that when we were in danger of inflation, the national government was courageous enough to tell the Canadian people that they must fear inflation, which is just as dangerous, and more so in certain circumstances, than deflation? In warning the people the government was alert, and for its action I, representing my constituency, praise the government. Again I repeat that if we are in a position at this present session to decrease taxation, that is due largely to the fact that our economic and financial position is as fine as that of any other country in the world.

I want to say a few words about election promises. We in northern Ontario, in spite of Dr. Chisholm, still believe in old man Santa Claus. We believe that he is a fine old man and that he is performing a useful service. At the general provincial election we had a new type of Santa Claus, a rather young, handsome and glamorous young man. He made promises that dipped deeply into the Ontario provincial treasury. For what purpose? For the purpose of winning the provincial election. It is not an absolutely bad purpose, I must admit, because all parties always try to win elections. Why a person would be highly scandalized because that might have been done, I do not know. It might have to be done by this party. I do not know why the leader of the opposition thought it was scandalous when it happened so glaringly during the last provincial election. If I know anything about the constitution of the provinces, and of the country, it is this. When a legislature or the central government is dissolved, the government is then practically in the hands of the people, and I believe it is absolutely in order for the leaders of the parties or for the ex-premier of the province to make certain promises; but how it is permissible to dip into the provincial treasury in order to fulfil those promises, and for the money to be handed out immediately, without legislative sanction, is past my comprehension. If all the promises that were made during the last provincial election had been implemented, we in northern Ontario would be sitting pretty. For instance, promise was made of a fine university in Fort William or Port Arthur. Then a day or two later another university was promised for North Bay. Promise was made to a fine rural community in my own riding—and I am not scandalized about it; I merely make mention of the fact. This place was located fourteen miles east of the industrial town of Kapuskasing. The promise of an agricultural college was made to that fine rural community. I am going to see that they get it, because the promise was made. The people of that area are entitled to what they were promised; they should have it. Then, promise was made of a water system, funds for which were to be provided, to the extent of $120,000, out of the provincial treasury.

The other sixty-four rural communities in that section are watching developments. When these promises are fulfilled, the citizens will be proud of what they have. But each of those municipalities will go to Queen's Park and make similar requests; and if they do, they will be entitled to what they ask, because I say election promises must be fulfilled—there can be no getting away from that. Otherwise it would be deceiving the population, and not keeping faith with the voters of Canada or of a province.

I should like for a moment to speak concerning a delicate subject. A few days before the last vote in the most recent Ontario provincial election, in this city of Ottawa a fine institution which has been operated for generations was granted $250,000. Perhaps the amount should have been greater. But my point is this: Why was not that money voted properly from the floor of the Ontario legislature? Why was it granted just at election time? I do not criticize the grant, because in my view the organization in question should have been given at least $500,000. But a procedure of this kind skirts closely the process of political buying; there is no getting away from that fact.

These are matters which of necessity must be placed before this national forum because, in my view, no matter what party is making an appeal to the Canadian people, it has no right to buy votes out of the provincial or the national treasury. And I would stay by that statement. After all, the roof of democracy must fall over our heads if care is not taken in this connection.

In a few months it is likely that we will be engaged in a general election. I do not want to see the spectacle of the political parties of the House of Commons going before the people in an effort to overbid each other out of funds in the public treasury. That is not democracy; that is not freedom; that is not Canadianism—and it should not be done. It is falsifying our constitution.

May I next refer to those election promises which are never implemented. The Canadian people generally are as well informed as members of the House of Commons, and when promises are not fulfilled they are entitled to resent it. They do not like this failure to fulfil promises, and they soon learn that they have been fooled. You may fool them once or twice, but you cannot fool them all the time. I make this appeal in all sincerity, because I well remember when, in 1935 I believe it was, I made a definite promise during the campaign, and I promised that I would never make another one. My promise was that I would bring back a better service for the numbers 1 and 2 transcontinental trains from Toronto to Winnipeg, passing through Cochrane. But my promise was never implemented, and the people up there have held that against me,—and rightly so. Every election I am reminded of it. I would repeat that it is contrary to all democratic principles to go before the people at election time, whether provincially or in a general election, and make promises, when those who make them know full well they will never be fulfilled.

While I have not the time to go deeply into the matter, I should like to say a few words about dominion-provincial relations. In this forum three years ago, prior to the 1946 dominion-provincial conference I expressed the wish that the premier of Ontario would be big enough to see the viewpoint of all parts of Canada. I am sorry he did not come up fully to my expectations. I do not blame him altogether for what happened in those instances; but he must take some of the blame.

I come from a section of the country which at times has had quarrels with Queen's Park; I mean northern Ontario, that fine treasure house in Ontario. Sometimes our resources were badly used and wasted, and at a time when we had practically no voice in the government at Toronto. However, we have always remained true to the old province of Ontario. When one hears talk of secession of that portion of Ontario from Fort William to North Bay or anywhere else, one may be sure that 99½ per cent of the people in northern Ontario have always been against it, and will continue so. We believe that Ontario must remain as it is at the present time.

The point I wished to bring out is that those of us from northern Ontario believe that the welfare of the whole of this province is better than the welfare of the northern section of it, or even of the city of Toronto. We believe in the welfare of the whole of the province—and that same principle applies with equal force to Canada as a whole. I would ask the present administration at Queen's Park, and I would ask those here in the House of Commons, as a man who was born in the province of Quebec, to forget sometimes some of the smaller features in politics, and to think of Canada as a whole. Ontario has been described as a privileged province, but she is not. Ontario is Ontario only through the accident of geography. While the people are Ontarian, they are primarily Canadian.

The leader of the opposition (Mr. Drew), as premier of Ontario, was a talented man; no one can deny that. He is a true Canadian. But why he did not practise that true Canadianism in his relations with the dominion and the other provinces is something beyond my comprehension.

May I say one word about our present trade situation, and particularly our trade with dear old England. I am speaking my mind on this score, because I have always been a great admirer of those fine, tidy little islands; and even more so since the last war, when for over a year Great Britain was the only human rampart against the hordes of barbarism, nazism and fascism. No matter what we do for England, no matter what happens in the future, we can never forget that fact; because

I maintain that had it not been for Great Britain democracy for the rest of the world would have died.

However, in our relations there may be times when some irritation is revealed. May I compliment here and now the Prime Minister (Mr. St. Laurent) who, when speaking on this subject, asked us to be tolerant when discussing this matter, because it was a sensitive one. It is true that we have to be careful, because some people consider it only from the standpoint of dollars and cents. True, in any democracy dollars and cents must count; but at the same time I maintain that in our trade relations with Great Britain sentiment must always have its place no matter what some may say. We may have to exercise a good deal of sentiment if the day comes when liquidation of her debt to us is required. I repeat, without fear of successful contradiction, that some day they may find it impossible to meet all their obligations. Under these conditions, what would be the duty of the Canadian nation? It would be proper for us to forget about it, for the simple reason that Great Britain has paid in blood a price away beyond anything which can be counted in monetary consideration. She has paid in the lives she lost and the horrible tortures she had to suffer, not only among the personnel of her armed forces, people who had military training, but among her young children and her old people who were destroyed by tens of thousands when, for over eight months, the luftwaffe poisoned the skies of Great Britain.

We must not forget that situation, that great epic of heroism. While we may have done all that we possibly could, we must not forget that there may be times when Great Britain must do certain things from necessity. We too have international trade problems.

I do not believe in the iron curtain. It should never have been allowed to exist. Speaking not as an expert but as a Canadian, may I say that I cannot comprehend how it could be possible for Great Britain to hurt Canada by dealing with any nation within the iron curtain. My reasons are not only sentimental; I say that because a principle is involved. If the application of that principle is continued it may mean the doom of freedom and democracy as we know them.

In support of my opinion I should like to quote from an article which appeared in that fine weekly paper *The Ensign* of January 29, 1949:

Building on slavery.

This is worth listening to. It may be that Great Britain has a right to deal with other nations, but if Canada attempted to deal with a nation behind the iron curtain I would be the first to rise in my place and protest. The article reads:

The Yorkshire *Post* says editorially that one of the reasons Great Britain must buy food from Poland rather than from Canada—

We are all in sympathy with the fine Polish people. They do not like the communists, for they are not communistic by nature; but they are behind the iron curtain at the present time.

—is that the prices of her manufactured goods are too high to compete in North America. The editorial concludes that Britain must export more goods at present wage levels, but with cheaper raw materials than the new world can supply.

We have every sympathy with Great Britain's brave effort to restore her economy, which suffers from war wastage, from technical and mechanical obsolescence, and from currency dislocations. Nevertheless we are appalled by the implications of the Anglo-Polish and similar pacts when viewed in the light of the above reasoning. Reduced to their true significance, they mean that henceforth Britain's living standard is to be maintained, not by increased efficiency at home and unsnarled trade abroad, but by the poverty, exploitation and expropriation of eastern European farmers by their communist slave masters.

Those are strong words, but I do not think anyone will dare deny them. Those who purchase from a country behind the iron curtain should know that they are buying goods that have been produced by political slavery pure and simple and by terrific sacrifices on the part of the people. The article continues:

We know from history that a soviet government will buy machinery and other finished goods needed for its "plans" at the expense of millions of starving peasants. It has been estimated that more than three and a half million peasants were deliberately starved in the thirties when their wheat was shipped abroad to buy equipment for Magnitogorsk, Dnieprostroi, and other projects.

Can Britain eat her bread with a good conscience when it is known that she buys it cheaper than in Canada because a ruthless dictator is exploiting his Polish slaves? Can the United States permit a dollar shortage which helps to produce such a situation? Does not this constitute aiding and abetting a crime against humanity? These are questions to be answered, for not even economic distress excuses transgressions against basic morality.

I speak very feelingly on this subject. After all, we can all remember the terrible blood bath through which Canada and Great Britain have passed in defence of democracy. We see now where trade balances and a monetary system have forced a great nation to deal with other nations inside the iron curtain. I am not going to go into the question of internationalism, for I have too much respect for our great friends to the south. I think the average United States citizen would like to see the dollar made more pliable, more humanized, so as to bring about freer trade throughout the world. The average United States citizen would like to see something done about the sterling situation. It would be a great humanitarian victory if there were

freer trade between Great Britain and the rest of the world, Great Britain and Canada and Great Britain and the United States, and in fact between all nations.

I should like to say a few words about what I hope will be our new sister province—Newfoundland. There is something fine in this possibility, something great. It is expected that within a few months there will be integrated into the Canadian federation that fine, old colony located in the gulf of St. Lawrence. In my youth, which was a long time ago, when I was attending a small rural school I was always baffled that Newfoundland, which was so close to the American continent, geographically speaking, and which was so close to the Canadian mainland, was not a part of Canada. To me the gulf of St. Lawrence seemed to have opened its mouth deliberately so that Newfoundland could come into Canada.

It was a proud day for us and no doubt a proud day for Newfoundland when by a majority vote they decided to come into the Canadian confederation. They have problems of their own and in my view it is the duty of every Canadian worthy of the name to study their problems, to try to know them, to sympathize with them and to help them in arriving at a solution. I believe that the Newfoundlanders will fully realize what it means to come into the great Canadian federation.

When this is accomplished, when Newfoundland does come into the Canadian federation, I hope that they will send some of their fine sons and daughters to Canada to explain to us their aspirations, their struggles in the past, their love, their culture and what they expect of the future. Then in turn Canada should send some of her prominent sons and daughters to sell and make better known this country to that great strategic island which in the future may mean so much to the peace of the world.

I make that suggestion in all sincerity. I wonder how many Canadians know the fine qualities of the Newfoundlander? How many of us know their loyalty to British traditions? Perhaps the same thing could be said, although perhaps not as forcibly, of many Newfoundlanders who have never had an opportunity to know Canada.

It would not be just a matter of selling one to the other; it would be a matter of interesting our population and making them realize what a wonderful asset there is in having that fine sentinel between Greenland, Europe, and the Canadian mainland—a sentinel to guard us against things that may happen in the future, which have never happened in the past.

I make this plea very sincerely. This is not just a political question; it is bigger than that. I hope that the moment Newfoundland comes into confederation Canada will choose half a dozen of her sons and daughters who are well qualified, and that Newfoundland will do the same. There are in each country many intelligent men and women—who will visit the other to tell them of their own. We love these people already because they belong to the British family of nations. We want them to come here to tell us of their aspirations, of their problems, of the things that they expect from the Canadian confederation.

It is true they will have to make sacrifices in order to enter confederation, but the same will also apply to us. We must be ready and willing to try to understand them, and to have respect for their traditions and ideals. Let us not get away from the fact that in the past Newfoundland has been a real sentinel of the British empire on this continent, and will remain faithful in its loyalty in the future.

I want to say a word or two about the St. Lawrence waterway. As a person who represents a section of Canada that, geographically speaking, is really central, I may say that we are open-minded as far as the St. Lawrence waterway is concerned. The potential hydro power is needed at the present time in the province of Ontario. I do not say that in a critical way. It is because of the progress that industry has made in the province. There are also the factors of immigration and transportation. I feel somewhat reticent about discussing the problem because, under Sir Wilfrid Laurier, a national rail link was built between the maritimes and Winnipeg out of the federal treasury. Today, west of the town of Hearst, with one of the finest roadbeds on the North American continent, the rails are practically rusty. We are in favour of the development of the St. Lawrence waterway because it is a necessity.

The United States and Canada are friendly nations and we should have no difficulty on that project. But, in saying that, I want to protest against a situation which has been allowed to exist for many years in regard to that fine national link between Quebec city and Winnipeg. It is practically unused at the present time. You have there a potential that should be used winter and summer. Why it is not is past my comprehension. It is true that when the national transcontinental line was built north from Quebec, and out through the wilds of northern Quebec and northern Ontario, they thought that there was nothing but muskeg. Then they found the area contained the finest natural resources, and today it is the real treasure house of Canada. From Quebec city to fifty miles west of the town

of Hearst they have developed those natural resources, with the result that you have there some of the best paying traffic on the whole of the Canadian National railway system.

Mr. Deputy Speaker: The hon. member's time has expired.

Some hon. Members: Go on.

Mr. Bradette: I greatly appreciate the indulgence of the members of the house and thank them for it. I have no right to it, because hon. members have been too kind to me in the past. I will terminate now. I may have occasion to say something else about certain problems which are very important, not only to our section of the country but also to other sections, because we are not parochial in our viewpoint. We happen to be located in what we call central Canada. We are absolutely national as far as our problems are concerned. It may surprise some of the members listening to me at the present time to know that we are familiar with the names of the mayors of the cities of Winnipeg, Regina, Saskatoon and Vancouver. We also know the names of the mayors of the cities of Halifax, Saint John and Montreal. Therefore we are truly national as far as our location is concerned, and I also believe we are truly national in our viewpoint.

That is why I appreciate the kindness extended to me. We have no real grievances, but I am going to mention freight rates very briefly. If there is a zone that has suffered it has been my zone. I have no right to say "my"; I am not big enough. I should say "our zone". We always had discrepancies, but we accepted them for the benefit of the whole. We must be practical. If the Canadian National Railways has great deficits, we must remember that this nation owes something to that national railway system, and also the Canadian Pacific railway system. During the war their accomplishments were such that no other nation in the world was able to match them. They did something that was a revelation to the whole world, and helped our war effort greatly. Nevertheless, I maintain that we are not getting the full benefit of our fine national system at the present time. I am not going to enlarge any more on that point. All I want to do before resuming my seat is to express the hope that in dealing with freight rates we will all take a national viewpoint. Can we expect our railway systems to carry on with deficits year after year? We must be practical. Speaking as a northern Ontario man, I am in favour of certain concessions as far as British Columbia is concerned, as far as the Crowsnest pass rates are concerned, and as far as the maritime provinces are concerned. I am sure I am speaking for the people of central Canada when I say that I believe they are willing to make adjustments and certain sacrifices as far as freight rates are concerned. I believe they should do so for the whole of Canada, because again I repeat, the whole is better than any part, and a problem of that magnitude must be faced and in a national way.

Before I forget, I want to say that I am not a Canadian National railway man, and I am not a Canadian Pacific railway man. However, I do not believe in the plank incorporated in the C.C.F. platform at their last convention involving the amalgamation of the C.P.R. and the C.N.R. It is true that I believe implicitly in the Canadian National railway system, but at the same time I maintain it would not be fair to the Canadian people if the two systems were amalgamated. You have only to mention that to Canadian Pacific men and Canadian National men to see that they highly resent that plank in the platform of the C.C.F. party. The railway systems in Canada not only have the commercial viewpoint in mind; they have to give service to certain localities. There is a humanitarianism in that regard on the part of the Canadian National Railways and the Canadian Pacific Railway. I say that with feeling. A few years ago the then premier of the province of Ontario, Mr. Hepburn, allowed the construction of the Temiskaming and Northern Ontario railway, as it was then called, from Cochrane to Moose Factory. At the time many people were very much in favour of that, but when they found there was very little revenue for the extension of the railway they wanted to dismantle it and take the rails away. I went to Toronto and told the premier of Ontario that he could not do it because, when they built that ribbon of steel from Cochrane to Moose Factory and Moosonee, they had permitted the settlement of certain small localities along the railway; and I said that if the people of Ontario knew the situation they would not permit the demolition of the Temiskaming and Northern Ontario railway. To the credit of the Ontario administration it was not done.

The railways in a country like Canada have more than freight and passenger services to give. They have to provide service in a great, expansive territory at times under very difficult conditions, a service to which every Canadian man and woman is entitled. That is why, as a Canadian, as an Ontarian, and as a member of this parliament, I want to take this opportunity to say that I am absolutely against the amalgamation of the Canadian Pacific Railway and the Canadian National Railways on the ground of humanitarianism and also on the ground that better service may be given to the Canadian people if both railways maintain their identity.

Mr. Cruickshank: I rise on a question of privilege. I do so because the last speaker is on my own side of the house, and I prefer to do so now rather than when a speaker from the other side of the house has concluded a speech. We have talked about amendment of the rules. I should like to suggest that only the Prime Minister (Mr. St. Laurent) and the leader of the opposition (Mr. Drew) be allowed to exceed forty minutes. If you are going to permit one member to do it, then every one of us should have the same privilege. I say that with no disrespect to the previous speaker, who is a member on my own side of the house. If a member cannot say what he has to say in forty minutes he should write it out, hand it to the press and stay in his own riding. I respectfully suggest that the forty-minute rule be enforced, with the exception of the Prime Minister and the leader of the opposition.

Mr. Deputy Speaker: I may say it is the custom of the Speaker to remind the house when a member has spoken forty minutes, but if the house gives unanimous consent then the member continues, and the Speaker can do nothing about that.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I am sure it is gratifying to every true lover of democracy to see on the part of the Canadian public a quickened interest in what is going on in this parliament. There are many reasons one can think of for that fact. Perhaps rumours of an election have assisted. In any event, the fact that we have in the house a new Prime Minister (Mr. St. Laurent) and a new leader of the opposition (Mr. Drew) undoubtedly has been a major factor in attracting increased interest to what is transpiring in this house. I would say to the Prime Minister (Mr. St. Laurent) that when he was elected to the leadership of the Liberal party, and then when he assumed the responsibilities of Prime Minister of Canada, it was a great pleasure to extend very hearty congratulations to him; and I repeat those congratulations today. We have had many differences; we may have more today before I conclude my remarks, but the warmth of my congratulations is not in the least abated.

I should like to say a word, too, concerning the man who leads the Progressive Conservative party, the new leader of the opposition in this chamber (Mr. Drew). I have had the good fortune to know him personally for something like twenty-four years now; and I know him, as this house increasingly will come to know and appreciate him, as a man of high courage, a man who presently, after the next election, will give the whole Canadian people dynamic, progressive and vigorous leadership. His record as premier of the province of Ontario is such that it will be the ambition of premiers of that province in generations to come to seek in some degree to emulate it. He was at all times progressive, and he gave that province such administration as will leave it forever in his debt. This party under the present leader of the opposition presents to the people of Canada an invincible unity, and that unity will make itself felt not only in this chamber during the present session, but, after the election that is to come, throughout this dominion when he takes his position as Prime Minister.

I suppose it is only to be expected that some members of the house should seek to train their cap pistols on big targets. I suppose some, like the hon. member for St. James (Mr. Beaudry), because their armoury may not be quite as heavy as they would wish, will seek to make up what may be lacking in their aim by choosing large targets. But I want to say that remarks such as those which fell from the lips of the hon. member for St. James today and on Tuesday do not hurt my leader or reflect upon him. By remarks of that kind the hon. member only hurts and reflects upon himself.

It was appropriate that the leader of the opposition, in his speech opening this debate, should have concentrated most of his remarks on the subject of dominion-provincial relations, because those who have sat in this house since 1945 will not forget how frequently members opposite have sought to regale the house with accusations directed at the distinguished man who is now leader of the opposition. It was refreshing to see that leader literally take the government by the scruff of the neck and give a complete answer to those who have been misrepresenting the record in the years that have intervened since the government sabotaged the last dominion-provincial conference.

Did it not strike members of the house as passing strange that when the Prime Minister followed the leader of the opposition last Friday evening he completely avoided the subject of dominion-provincial relations? As a matter of fact he sought with almost indecent haste to align himself on the side of the angels. Here is what he said, as we find it at page 60 of *Hansard*:

> Before doing that, however, I want to say to the leader of the opposition that there are many of the things he said in his speech concerning dominion-provincial relations, and concerning the constitution of Canada, and its principles, with which I am in entire agreement.

Some hon. Members: Why not?

Mr. Fleming: Quite so; at last we have a little wisdom flowing from lips opposite. Why not? There is no reason why hon. members opposite should not have agreed with every word the leader of the opposition said in

his speech last Friday. I do not condemn the Prime Minister for the extent to which he professes himself to be in agreement with the leader of the opposition; I commend him for his frankness in that respect. I only regret he did not go the full distance and commit himself completely to agreement with the leader of the opposition.

But, Mr. Speaker, behold the welter of confusion, the welter of contradiction which always characterizes speeches from the right-hand side of the chamber immediately became apparent. When the new Minister of Justice (Mr. Garson), making his maiden speech in the house yesterday, undertook to be the spokesman of the government on the subject of dominion-provincial relations, what an extraordinary attitude he displayed! It is time the government decided where they stand on this subject, because here we have the man who apparently is to be the government spokesman on this question describing the fundamental conception of confederation, the kind of confederation that apparently he professes to cling to, at page 165 of *Hansard*:

> The provinces were deliberately left with small revenues, which in some provinces were inadequate from the start, in order that the legal powers which they received under the constitution would be supported as little as possible by revenues wherewith to pay for exercising them. The idea was that after a short trial with that sort of federal system they would ultimately, in the language of Sir A. T. Galt, "at no distant day be enabled to do away with those artificial boundaries which separated one province from another, and come together as one united people"—without any provinces.

That, Mr. Speaker, is the conception of confederation that fell from the lips of the government spokesman on the subject of dominion-provincial relations. Then, very properly, he went on to give this description of his own conception, as already expressed; this is what he says at page 166.

Mr. Martin: If the hon. gentleman would permit a question, was that not a quotation?

Mr. Fleming: The part following the words "Sir A. T. Galt" is a quotation, until we get down to the words "without any provinces", which the minister added.

Mr. Cruickshank: The new way of doing it is to say "I am quoting now" and "I have stopped quoting."

Mr. Fleming: I have no time to deal with remarks of that kind. This is the way the spokesman for the government sums up his conception of Canadian confederation:

> Well, sir, how did this limited and static conception of provincial responsibility . . . work out?

This "limited and static conception of provincial responsibility"—those are the words of the government spokesman on the subject of dominion-provincial relations. I suggest, Mr. Speaker, you could not have a better description of the whole conception of confederation which has actuated the government since the time it took office, particularly in these years since the war, than in those words: "this limited and static conception of provincial responsibility." That is just the conception that has characterized the attitude of this government toward the provinces since this whole question became a national issue.

I would say to the minister, if I had the opportunity of speaking to him now, that he and his province owe very much to the stand my leader took at the dominion-provincial conference. Had it not been for that firm and courageous stand, taken with a due appreciation of the essential realities of confederation in Canada, the province of Manitoba would not have had nearly as good an agreement with the dominion government as it eventually got.

Step by step, just along the lines my leader and other leaders like the premier of Quebec and the premier of Nova Scotia had been taking at the dominion-provincial conference, the province of Manitoba and others properly began to get more and more under the agreements. The province of Manitoba and other provinces throughout this dominion, as time goes on and the truth sinks in, will come to appreciate more and more how much they owe to the courageous stand taken by my leader at the dominion-provincial conference.

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

Mr. Fleming: I would rather take the questions at the end of my statement, since time is running short.

Mr. Knowles: Is this an admission that your leader broke up the conference?

Mr. Deputy Speaker: Order; I should point out that a question cannot be asked without the consent of the member.

Mr. Cruickshank: He cannot answer him anyhow?

Mr. Fleming: When you get a question as absurd as the one asked by the hon. member from Winnipeg, it does not take long to dispose of it. I have just made it clear the dominion government sabotaged the conference and I may say it would have been sabotaged just as quickly if the C.C.F. had been the government, because the worst centralizers in this Dominion of Canada are the C.C.F. socialists.

This mentality that has been exhibited by the Minister of Justice is apparently the

mentality that is to characterize this government in its continued relations with the provinces.

We had to listen to the Prime Minister on Monday last say, in effect, that he had neither the time nor the patience to attend further dominion-provincial conferences.

Mr. Cruickshank: He never said any such thing.

Mr. Fleming: The Prime Minister undertook to tell this house how much he objected to having to return from an international conference several years ago to attend one of these dominion-provincial conferences. He went on to complain about that and to say that, in effect, the method of general dominion-provincial conferences was futile. It could result in nothing of benefit to Canada in the future. If we are to take his words at face value, apparently as long as this government is in office—and that will not be long, since its days are numbered—there will be no more dominion-provincial conferences. In other words, the method of general conference which brought about confederation has no place in the thinking of the government which clings to the treasury benches opposite. The Prime Minister has repudiated the method of open, general conference. He has repudiated the confederation method of dealing with problems arising within the framework of confederation. He has not the time, he has not the patience for any more general dominion-provincial conferences.

Mr. Speaker, none of us is going to say Canada should not be represented at international conferences where Canadian interests are involved. I am sure no one is going to say that, because many of these conferences do not succeed in their purpose, they should not be held. The Prime Minister of Canada has reached the point now in his political thinking that it is all very well to have international conferences whether they succeed or whether they do not, but in the matter of Canadian conferences—dominion-provincial conferences where Canadians representing the federal authority on the one hand and the provinces on the other might be expected to sit down and discuss problems of mutual concern—he says there is not to be any place in his time or in his patience for conferences of that kind. Where on earth, Mr. Speaker, is the consistency in the Prime Minister who complains that he was brought back from an international conference to attend a dominion-provincial conference?

I am very proud that my leader has continued to call, as he has, without abatement from the time the government sabotaged the last dominion-provincial conference in May 1946, for the resumption of the general dominion-provincial conferences. The people who are responsible for the fact there has been no resumption of the conferences are the people who are occupying those treasury benches. Their days are numbered, however, and it is a happy thing for Canada that is so.

I turn, not to another subject, but to another phase of the government's attitude towards the constitution of this country. In his remarks last Friday and Monday the Prime Minister exhibited tender spots. I was particularly interested in what he had to say on Monday concerning an incident which transpired in this house on the 18th of June, 1946, when, as Minister of Justice, he was spokesman for the government in the debate on an address which sought an amendment to the British North America Act from the parliament at Westminster concerning the redistribution of representation in this chamber.

The Prime Minister revealed a tender spot and went on to complain very bitterly about the attention paid to his words on that occasion. What were those words? What was the mentality those words revealed? What was the attitude towards the constitution of this country and towards the language rights enshrined in section 133 of the British North America Act which was discussed at that time? I found it most significant, Mr. Speaker, that on Monday the Prime Minister was very selective in his quotation from what he said on June 18, 1946. Of course, he quoted the passages in which he quoted from an exchange of remarks between King Agrippa and Festus and Paul, and some of the passages which followed on page 2621 of *Hansard*, 1946.

For some reason or other, Mr. Speaker, the Prime Minister failed, however, to quote the words which immediately preceded the words he quoted at some length and which are the nub and kernel of everything he said on that occasion and which give full justification to what has since been said in this chamber and in all parts of Canada, particularly the province of Quebec, concerning his speech. These words which the Prime Minister failed to quote, Mr. Speaker, are found on the same page of the 1946 *Hansard* as that to which I have referred. At that point he was dealing expressly with section 133 of the British North America Act and with a question which had been asked of him by the hon. member for Calgary West (Mr. Smith) as to whether, in his opinion, parliament was free to seek an amendment of the constitution as long as the subject did not fall within section 92 of the British North America Act. He answered as follows:

Can that—

—meaning section 133 of the British North America Act—

—be dealt with without the consent of the provincial legislatures?

That is the question and this is the Prime Minister's answer, given as Minister of Justice.

Legally I say it can.

Mr. Speaker, that is the remark which has been discussed.

Mr. Martin: Why does the hon. gentleman not read the whole statement instead of one excerpt?

Mr. Fleming: If the hon. minister had been in the house or had read *Hansard,* he would know the Prime Minister read at very great length from what he said on June 18, 1946. I repeat, for the benefit of the minister, that the Prime Minister omitted to read that most significant statement in the passage he read. I do not think that omission was accidental. That is the contention which fell from the lips of the right hon. gentleman on that occasion which has given rise to so much disturbance in certain parts of this country and which ought to be a matter of genuine concern to all parts.

Mr. Cruickshank: In all parts; what parts?

Mr. Fleming: In the parts with which the hon. gentleman apparently is not acquainted, but should be.

The Prime Minister has said the province of Quebec likes its facts straight. I wonder if the Prime Minister did not get the facts straight from the people of Quebec last July when the results of the provincial general election were announced. Strangely enough, although this subject has been discussed on many occasions, to the Prime Minister's certain knowledge, it has taken him nearly three years to rise in his place in this house and attempt to put an interpretation on remarks that he made on June 18, 1946. Let there be no mistake about that.

Mr. Martin: May I ask the hon. gentleman a question?

Mr. Fleming: Mr. Speaker, my time is limited, and I will not ask for any extension. If the Minister of National Health and Welfare (Mr. Martin) will wait until I finish, I shall be glad to answer his question.

Mr. Martin: The hon. gentleman has said—

Mr. Fleming: Mr. Speaker, I wish to continue.

Mr. Martin: I should like to ask—

Some hon. Members: Sit down.

Mr. Fleming: Whether the Minister of National Health and Welfare likes it or not, I say that remark from the Prime Minister was a perfectly deliberate and studied remark. It was, however, in accord with the contention the Prime Minister, then Minister of Justice, was making not only then but in the previous days of debate on that same subject.

Mr. Martin: I rise to a point of order. The hon. gentleman has just now made an insinuation that the Prime Minister deliberately tried to deceive this House of Commons.

Mr. Fleming: I did not.

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

Mr. Martin: That is the point of order. I say that is unparliamentary language, and that the hon. gentleman should withdraw it at once.

Mr. Deputy Speaker: I understand that the hon. member for Eglinton (Mr. Fleming) has stated that he did not make the statement that the Prime Minister had deliberately tried to deceive this house.

Mr. Fleming: I did not say that. I did not use the word "deceive". What I said was that the Prime Minister's statement was a perfectly deliberate statement; that is, that the statement he made, which I have just quoted, was a deliberate statement. He was not caught off guard.

Mr. Martin: I rise to a point of order. I am subject to the judgment of the house, but if the hon. gentleman now says that he did not seek to convey the impression, by the words he used, that the Prime Minister had deliberately deceived this house, or if he now withdraws that insinuation, I will withdraw my objection.

Mr. Fleming: Mr. Speaker, I withdraw nothing, because I did not make that remark. I wish the Minister of National Health and Welfare would pay attention to what is being said instead of concentrating on making interruptions and trying to delay me. What I said was that the statement of the Prime Minister was a perfectly deliberate statement. He was not caught off guard. What he said was completely in keeping with the argument he was making in the house that day and in the previous days of that same session. It was a deliberate statement. The consequences of that statement of the Prime Minister, which was a deliberate statement, have been incalculably mischievous and harmful to the whole of Canadian unity, and those remarks have given rise to a distrust and disturbance of feeling for which he is entirely responsible.

He did not do that without due warning on that occasion, because he had ample warning from those who followed him.

Mr. Cruickshank: Tell us about the iniquitous family allowances.

Mr. Fleming: I wish to refer to some of the things which were said then. I had the honour to follow the Prime Minister in that debate—

Mr. Cruickshank: The hon. member speaks every day.

Mr. Fleming: I pointed out the danger in remarks of that kind. Here is what I had to say at that time, and I am quoting from the daily edition of *Hansard* because a translation was given in the bound edition. It is to be found at page 2701 of the daily edition of *Hansard* of 1946.

Mr. Cruickshank: The hon. member spoke in French that day.

Mr. Fleming: Yes. And whether the hon. member likes it or not, I propose to read my remarks made in French on that occasion.

Mr. Cruickshank: What about the convention?

Mr. Fleming: I will say to the hon. member that I am happy about the results of the national convention of the Progressive Conservative party and I am happy in the selection of leader made by the convention.

Mr. Cruickshank: There will be another chance next year.

Mr. Deputy Speaker: Order.

Mr. Fleming:

(Translation):

Now the Minister of Justice says that there is no need to consult the provinces on redistribution. He contends that as long as an amendment of the constitution does not involve matters allocated in the British North America Act to the provincial jurisdiction, such as property and civil rights under section 92 of the act, the provinces have no right to be consulted by parliament.

(Text):

Mr. Cruickshank: Oh, oh.

Mr. Fleming: The hon. member seems to be getting some amusement out of this.

Mr. Cruickshank: Any time the hon. member talks nonsense, I get amusement.

Mr. Fleming: This is what I said:

(Translation):

This is a dangerous doctrine. Its full significance should be clearly understood. If parliament can bring about an amendment of section 51 of the constitution without consulting the provinces, it can also bring about without consulting the provinces amendments of other sections of the British North America Act. How long will the rights of minorities which are now guaranteed by the constitution be safe if this doctrine, expounded by the Minister of Justice, prevails? It would mean that parliament could, if it wished, bring about an amendment of section 133 of the British North America Act, and thereby eliminate the use of the French language in parliament—all without consulting the provinces. Let us then be on our guard against creating so dangerous a precedent. The proposed increase in the number of members of parliament would be gained at too high a cost if it is to be acquired on that basis.

The British North America Act is not an ordinary statute to be amended at the whim of parliament. It is our national constitution; it contains the pact entered into by the old provinces at the time of confederation, binding the dominion and each province; and it is the great charter of the rights of minorities, particularly of those of the French tongue and culture. Let no bold hand be lightly laid on this constitution to overturn its provisions without consultation with the provinces.

Mr. Cruickshank: Hear! Hear!

(Text):

Mr. Fleming: I say with respect, Mr. Speaker, that the Prime Minister did not see fit either on that occasion or since to listen to such words of warning as were offered in good part by members of this house who appreciated the gravity of the remarks he was making. When a government has had power too long, and has had too much power, it ceases to be attentive to things that are said in the house by the representatives of the people and seeks shortcuts through the constitution to achieve the goal it has in mind; and shortcuts towards objectives, that are attained by driving through the constitution, are undesirable in a country like Canada. If the Prime Minister has cause for complaint in the fact that his words, which I have quoted, have become issues in many parts of Canada, the responsibility rests on his shoulders and on no others. And when he reminds us that the motto of the province of Quebec is "Je me souviens", meaning "I remember", I wonder if the province of Quebec did not nobly live up to its motto with regard to this subject and others at its last provincial election in July. For his personal motto I think the Prime Minister should choose "Je voudrais oublier", meaning "I should like to forget".

In the time that remains at my disposal I wish to say a word on the subject of radio broadcasting. In the speech from the throne we heard the announcement of the government's intention to appoint a royal commission. If the government intends to do that, it does not need to say so in the speech from the throne. It does not need to make it a matter of announcement in parliament. It may be interesting; but of course the government has that power of appointing royal commissions.

Here is a government that, on the eve of an election, is undertaking to say that it will appoint a royal commission to deal with some subjects that are greatly agitating the minds—and rightly so—of the people of Canada at the present time. There is in Canada a great deal of dissatisfaction about the whole method of the administration of radio broadcasting, the whole method of

control and, above all, with the high-handed attitude of the government and of the C.B.C. with respect to the subject of television.

The Prime Minister (Mr. St. Laurent) revealed that he needs some further briefing on the facts when he undertook to give to the house, as it appears at page 82 of *Hansard*, apparently what was the substance of a communication addressed to him by the Minister of National Revenue (Mr. McCann). The Prime Minister said:

> I have a note here that there was an attempt to set it up,—

That is, the House of Commons committee on radio broadcasting at the 1948 session—

> —but that the minister in charge found there was no one who wanted it.

Mr. Speaker, if the government had made a full announcement last session of what it intended to do, or intended to permit the Canadian Broadcasting Corporation to do in spending money the government put at its disposal, you may be sure there would have been a demand for the setting up of that committee. As a matter of fact the 1947 committee included in its report a recommendation that the committee should be made a standing committee of the house.

On this subject I would say this to the Prime Minister—and first of all on the subject of television—that he is not going to escape responsibility by the setting up of a royal commission. It may be a convenient device to try to sidetrack debate and discussion by saying, "Oh well, that particular subject is under review by a royal commission. We do not wish to prejudice their review of the question, and we are asking the commission to deal with it." The government must not be permitted to dodge its responsibilities that way.

This subject of television has been discussed in committees and by the press, and the attitude of the government and the C.B.C. has been exposed before committees. It was exposed before the House of Commons committee in 1947. On that occasion the Minister of National Revenue undertook to inform the committee of the stand taken by the government on this question, and to justify it.

What he said in effect was, "We do not think it is a good thing for Canadians, while this field of television is in its infancy, to permit Canadians to go ahead and risk their money in the development of it. We and the C.B.C. are not going to do anything; we will sit by and see what happens in the United States."

That was the sum and substance of the attitude of the government as portrayed to the committee by the Minister of National Revenue. Mr. Speaker, I characterized it then, I characterized it last year and I characterize it today as a dog-in-the-manger attitude, born out of the infernal paternalism which characterizes this government's attitude at all times.

What does it amount to? They will not let private stations do anything; they will not let Canadians who are quite prepared to risk their money in developing this field go ahead and do so. They will not permit them, because they say it is not a good thing that they be permitted to risk their money. They will not do it themselves. They have been marking time, and have not done anything.

The result is that Canada, which ought to be a leader in this scientific field, is far behind. We are away behind the United States; we are behind Great Britain, too, in the field of television. Apparently this government is content to sit back and watch the rest of the world go by. It is content to let the rest of the world get ahead of us while it sits with folded hands, and keeps its hands folded—and also keeps the hands folded of those who would develop the field, if the government gave them the opportunity.

The other striking point in the remarks of the Prime Minister in connection with radio broadcasting has to do with what he declared to be his open mind on the subject whether the C.B.C. should be permitted to continue to have power to regulate all radio broadcasting in Canada by private stations, or whether that function should be assigned to a public body separate and distinct from the Canadian Broadcasting Corporation, which is an operating body.

Mr. Speaker, that is a strange profession from the Prime Minister, who has been a leading member of this administration for the last seven years. It has been the policy of this administration throughout that time to refuse to deprive the Canadian Broadcasting Corporation of any of its power to control all broadcasting in Canada carried on by other stations.

His colleague and deskmate (Mr. Howe) has taken the position in the house, time after time—and apparently the Prime Minister did not pay any attention to it; perhaps we should not have either—that this power should not be taken from the C.B.C. But today, if you please, the Prime Minister, as a reason for appointing a royal commission on the subject, and seeking to get the government out of its responsibility, says, "I have an open mind on the subject."

Well, he was a member of the administration for the last seven or eight years which has had a closed mind on the subject. If the Prime Minister's mind is open, then let us congratulate him and let us also hope that the opening of minds will also be communicated to other members of his administration.

I see I have only three or four mintes of my time left, so I shall devote it to the subject of housing. Again, housing is the neglected child on the doorstep of the government, despite all the promises on which the government was elected in connection with housing, and all the glorious things it has been telling the Canadian people for the last several years. Despite all this the housing situation today is as bad as ever it was.

May I remind the house what the ever-optimistic minister, the then minister of reconstruction and supply, and now Minister of Trade and Commerce (Mr. Howe) said in the house on July 22, 1946, as reported at page 3672 of *Hansard:*

> As at March, 1946, our minimum immediate housing needs were estimated at 150,000 housing units.

Then he went on to describe that as the emergent requirement. I asked him about it a year or two later, but he had forgotten all about it—which proves conclusively that he was reading somebody else's speech on that occasion. Then, in the city of Toronto only last week, the president of Central Mortgage and Housing Corporation, Mr. Mansur, in a speech to the Canadian construction association, had this to say:

> The number of household groups including not only families but also individuals who maintain households, exceeds the number of front doors by approximately 350,000.

Then he goes on to say, in terms of emergency—

> It would be my guess that the immediate need is of the order of 150,000 units.

That shows, Mr. Speaker, that the housing shortage is just as bad today as it was three years ago. That indicates the measure of the government's progress in the field of housing —after all their promises, after all the nonsense they have told us in this House of Commons about the progress they were making in housing. The fact of the matter is that the housing crisis in Canada today is as bad as it was three years ago. Their progress has been exactly nil.

In conclusion may I say we are dealing with a motion by my leader expressing want of confidence in this government. We see a government that has attempted to rip up the Canadian constitution, which has neglected defence, and admits now the critical danger which this country faces because of its neglecting defence; which has made inroads upon the freedoms and responsibilities of parliament; which has imposed a crushing burden of taxation; which has been practising extravagance on a profligate scale, as evidenced in the report made to the house the day before yesterday showing that one Toronto lawyer in the last two years has been paid $172,000 in fees.

I say to you that this government does not possess the confidence of the country, and that the government does not deserve the confidence of this House of Commons.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, one of the terms which has come up regularly in this debate has been a reference to national unity, and I should like to make that the theme of my remarks this afternoon.

There is no doubt in my mind that all members of parliament, regardless of their political complexions, are interested in and desirous that there shall be national unity in this country. I believe we are fortunate in that we have one of the most wonderful countries in the world. We are the inheritors of a great tradition and of great natural resources. National disunity could be a most serious instrument in destroying much that has been done. However, I say with all sincerity that I am very doubtful if the speeches thus far made on the question of dominion-provincial relations, the subject which has occupied the time of most speakers from the government and official opposition groups, have helped in any way to create national unity in this country.

The speeches I have heard thus far consisted of accusations, counter-accusations, acrimony, recrimination and explanation. There was a political high wind blowing. Somehow through all these verbal acrobatics the speakers have managed to keep their eyes cocked toward the province of Quebec.

I am sure that if we desire national unity in this country it can be achieved, but it can be achieved only by this parliament setting its eyes resolutely to the future and being prepared to forget much of what has taken place and by striving to prepare and carve out a program of economic and social security. In addition, and perhaps even of more importance, there should be the greatest possible equality of opportunity in the future for all the people of Canada rather than privileges for the few. If we will do that, I think much more will be achieved in the way of national unity than by all this wrangling which has so far taken place.

The speaker who preceded me referred to the welter of confusion in connection with dominion-provincial relations. I would be happy if I could stand up and say that his speech had cleared up that confusion. However, much as I would like to pay him that compliment, I am not able to do so because his words have only added to the welter of confusion so far as I have been able to understand them. He merely went over the ground that has been gone over so often. I sincerely hope that for the time being, at least until

the smoke screen clears away, this house will drop that subject and get on with its real business.

If we are to find national unity the real business before the house is to see that this parliament—this may be the last session of the present parliament and therefore there is a greater sense of urgency than ever—should do for the people of Canada those things which they expect will be done. What are some of those things?

First, ever since the election of 1945 the people of Canada have been led to believe that the government had plans for an overall social security system. It has been called by various names, but what it boils down to is that the government, along with other parties in and outside of the house, promised the people that they would amend the Old Age Pensions Act in a way to provide that the means test would be abolished and the age limit lowered to 65 years—in some cases it was promised that it would be lowered to 60 years, but we will be happy if it is brought down to 65 years as the first instalment—and the amount of pension raised in order to bring it into line with present costs of living, which would require approximately $50 per month.

We in this group have urged that in the form of resolutions and motions ever since this parliament commenced. We have not been successful in obtaining a majority vote on that subject. We invite other parties in the house to join our pleas to the government that they do not let this opportunity go by without bringing into being these things that I have mentioned and which were promised, in good faith I believe, and accepted in good faith at election time.

We also need legislation to provide similar assistance to all persons who are crippled or disabled in some way. The other evening the hon. member for Qu'Appelle (Mrs. Strum) made an excellent plea, with which the Minister of National Health and Welfare (Mr. Martin) agreed, on behalf of persons suffering from arthritis and similar disabilities. We know from personal experience that in every community in Canada there are people who are not old enough to qualify for an old age pension, people in their forties and fifties, who are hopelessly disabled from some form of rheumatism or other disease and who must depend in most cases solely on municipal aid.

There is no legislation to provide this aid so far as the dominion is concerned. In most provinces there is no provincial legislation to provide this assistance for crippled persons, and I know this is so with regard to Manitoba with the exception of those who live in unorganized territories. In all other cases they are a drain upon the municipality.

Those who are close to municipal affairs know that municipalities, particularly rural municipalities, are having their hands full trying to provide education, build roads, repair bridges and so on and simply cannot provide the assistance required by these unfortunate victims of disease. Therefore we need legislation at the federal level to provide for disabled persons of this country on the same basis as we provide for old age pensioners. That is something that is urgent and could be done at this session of parliament. There is no reason why it could not be done.

We hear a lot about the huge surpluses that are being built up—later on I shall refer to one reason for that—and there certainly is no argument that we cannot get to work and pass the necessary legislation in order to show that we made those promises in good faith and are prepared to carry them out.

The speech from the throne makes a reference to the extension of the scope of the Family Allowances Act. We have no way of knowing just what that will mean when it gets to the stage of legislation. However, I hope that it will include at least two extensions.

The first should be in connection with students who are over the prescribed age for family allowances and who are still attending school. In many cases parents are trying to give children higher education but at a considerable sacrifice to their own standard of living. The payment of family allowances would be of great assistance to those people who are sincerely trying to educate their children.

Another way in which they should be extended is in connection with immigrants arriving in the country. At the present time the act does not permit the payment of allowances to the children of immigrants until they have been here three years. I made a plea on that point last June and if I remember correctly the minister said that consideration would be given to it. I do not know whether he has that in mind but it seems to me that if we look at the thing from a logical standpoint we will realize that these immigrants, regardless of whence they come, have not great resources. They are coming here to try to make a living out of the great wealth of our natural resources. They are prepared to work hard but during the first three years of their life in Canada they require the assistance that could be given in the way of family allowances much more so than ten or fifteen years hence. It would seem the better part of wisdom to extend the act to cover the children of these people.

We need a national health insurance program, but I shall not go into details about that as my leader has placed our proposals before the house.

There is another matter which while not strictly a social security item certainly is required. I refer to aid for education. I am glad the hon. member for Battle River (Mr. Fair), who always makes an excellent speech, referred to that today. I shall not undertake to discuss it in detail as I have a resolution on the order paper already and it would be out of order for me to discuss it ahead of time.

Suffice to say that within the last few months the people of Canada from coast to coast, especially such organized bodies as school teachers and educational societies, have expressed the opinion that it is necessary for the federal government to come to the assistance of the provinces which are trying to bring about an improved standard of education but which find themselves in financial difficulties.

Only recently we heard of the teachers' strike in Montreal and newspaper reports indicate that possibly a further dispute may arise. It is going to become more and more difficult for some of the provinces to finance their educational program unless this government is prepared to give some grants in aid to help them over the rough spots.

Perhaps the most important problem that faces Canada today, particularly western Canada, is the need for the stabilization of the agricultural industry and I say "stabilization" advisedly. During the past few years the government of Canada has been making agreements with other countries for the sale of agricultural products and has given assurance to the farmers of Canada that they will not be penalized by the fact that their products are being sold at controlled prices.

I am sure that the government will realize that the farmers of western Canada, the grain growers particularly, have been very patient and co-operative. They accepted the plan of the government to sell grain to Great Britain and other countries under agreement on the understanding that the government would do everything possible to keep the cost of production at its then level. These agreements were entered into and we know what has happened. Figures have been placed on *Hansard* in the last few days and I do not need to repeat them. However, I will say that the cost of production certainly has not remained stationary.

I should like to quote from the *Rural Co-Operator,* which is published in this province. They are giving their point of view on this question. They issue a warning, and it is a serious warning, and I am sure the Minister of Agriculture (Mr. Gardiner) will be the first one to admit it.

In discussing the increased cost of production, Mr. Hannam had this to say:

> But a double-barreled trend of farm prices going down and costs remaining high or going higher will soon undermine farm prosperity. The danger is it could and might develop into a period of general business recession. Because of this danger, maintenance of agriculture in a healthy economic position is vital to the national welfare.

Those are words of wisdom.

Mr. Gardiner: My hon. friend has said he is sure I would be the first to agree. I should like to point out that statement is a prophecy of what may happen in the future. Would my friend not agree that up to the present time farmers are getting the highest return for their products they have ever had?

Mr. Zaplitny: I am glad the minister made that interjection, because I started out with what I had to say by saying that it is the duty of this parliament to look into the future, and to make provision for certain things that may happen.

Mr. Gardiner: We have done very well up to the present.

Mr. Zaplitny: I am not going to detract from the minister's self-congratulation. Perhaps he feels justified in patting himself on the back.

Mr. Gardiner: Even that statement says that.

Mr. Zaplitny: I think perhaps the best thing I can do, Mr. Speaker, is to continue to quote. Perhaps the minister will take a somewhat different view of it as I go on. The same article continues:

> During the war farmers toiled long hours, increased their production, and sold their product far below cost. At the same time the dominion government paid industry's "cost plus." It promised farmers, as postwar compensation, floor prices which would give them more than the market price.

That has not yet happened.

> What have they had? A ceiling price on butter, a ban on exports to the United States, which still remains on dairy products, and margarine. At the same time industry has been making unprecedented profits. The dominion government has been allowing industry special taxation privileges such as double depreciation, for instance, charging up the cost of new capital equipment over a period of five years as a deduction from income tax.

Mr. Gardiner: The only criticism I would make up to that point is that the interjection made by the hon. member is not in the statement itself. I refer to his words, "that has not yet happened". As a matter of fact, prices to the farmer on many of these farm commodities are higher now in Canada than they could receive in the United States.

Mr. Zaplitny: The chief commodity, in the west at least, is wheat. The price of wheat is certainly not over the world price at the present time.

Mr. Gardiner: It is over the price being discussed in the international committee.

Mr. Zaplitny: Let me proceed.

At the same time the government has joined in the hue and cry, as much industry inspired and financed as the margarine campaign, about farmers not paying income tax. The dominion government has persecuted farmers, has demanded income tax returns from thousands of farmers who were not taxable, and has collected tax from others who would not be taxable if they could afford to employ accountants to keep their records and make their returns for them.

Further, the article has this to say, and perhaps this is the most significant part of it:

Why are farmers being pushed around or just ignored by their governments?

It is "governments" because it refers also to the Ontario government. It goes on:

Mr. Howe gives one of the answers. He says that in 1919 agriculture was Canada's most important industry, contributing 44 per cent of the total net value of commodity production against 33 per cent contributed by manufacturing. By 1945 agriculture was contributing 21 per cent, and manufacturing 52 per cent. Presumably, with Mr. Howe's encouragement, there has been a substantial change since then in the same direction.

May I pause there to point out that these are dollar values, and of course they do not reflect actual physical production.

First, then, farmers are producing a smaller proportion of the total dollar production volume, and farm people are a smaller proportion of the total population. Second, farmers handle only their own money, while business handles the money of producers, consumers, shareholders, and uses it to publish and propagandize the ideas and public policies of which it approves, and to finance and control political parties.

Those are strong words. A little later I will refer to the article again in another connection. I think that sets out the attitude of the Canadian Federation of Agriculture. Perhaps by now the minister has less reason to congratulate himself than he had when I was reading the first part of the article.

Mr. Gardiner: Oh, no; I still say that the first part is all prophecy.

Mr. Zaplitny: I was not hoping to get the minister to agree with me. Then we move on from there. The gist of that whole article, and what I have said so far, is simply that, while admitting, for purposes of common ground with the minister, that agriculture is now receiving as high or higher prices—I have not the statistics before me—for its products, compared with other years, there is a trend going on now which is causing concern to the farmers of Canada. The prices of many of their products are still under control. Even if they were not we know from experience, and from a cursory study of what is going on in the world today, that the prospect for farm prices, as far as our exports are concerned, is not in an upward direction. I think the minister will agree with that because he stated that himself not very long ago. The prospect is that farmers will have to accept lower prices for their products in the future than they have in the immediate past. That being so, it makes it doubly important that the cost of production for farmers shall not rise. As a matter of fact, it has risen too much already in relation to what the farmer receives. That puts the onus on the government if they are going to undertake to ask farmers to accept controlled prices for their produce because of the condition of the export market. Farmers can understand that very easily. Farm organizations have been very reasonable and co-operative in that regard. They have understood that because European countries and Great Britain cannot pay higher prices they will have to accept the prices they can pay. There is, however, the other half of the bargain which is equally important. The government should then undertake to see to it that the farmer can buy, at reasonable prices, the products he needs in order to remain in farming, such as his farm machinery, fuel, hardware, and all the other things that are necessary for farming.

The government had the whole stabilization program in its hands in 1945. Since then it has destroyed half of it. It has destroyed that part which has to do with the cost of production of the farmer, by yanking off the controls on manufactured products, over the protests of organized farmers, organized workers and most of the professional people of this country. They listened to the advice of a small privileged group who saw an opportunity to reap a harvest when the controls were taken off; and by doing so they have placed the farmer between two grindstones, with the prospect of farm prices going down and the cost of production on its way up. If that process continues it will not be long until the farmers find themselves in a very tough position.

The government is now responsible for seeing to it that the cost of producing farm products does not go any higher; and as a matter of fact in my opinion it is already too high. It is for the government to state in this house very soon what they intend to do. Future agreements for the sale of farm products are still up in the air and the cost of living and the cost of production are still rising. The farmers of this country want to know where the government stand, whether they are going to take off all the controls and trust to free enterprise and the speculative

market to see that the farmers get the going price. Already the farmers have expressed an opinion on that. They do not agree with that type of marketing, because speculative marketing has not given the farmer a fair return for his products. Or are they going to reimpose some controls on manufactured products and give the farmers a square deal?

While I am on the subject of controls I may as well say that there are those who argue, very seriously and sincerely, that since the war emergency is over we should get rid of all controls and return to a system of free enterprise. That is a very comforting, very neat little package of philosophy. The only trouble is that it does not work, because we have never successfully operated a free enterprise system in this country. Ever since the beginning there have been interests ready to run to the government for protection just as soon as they considered their industry needed it. I see the hon. member for Rosedale (Mr. Jackman) smiling, and I can almost hear what he is thinking. But before he even says anything to me let me tell him that the industries in his province were the first to deny the free enterprise system in Canada. They were the first to benefit from our tariff system, and some of them are still benefiting from it. That might have been the proper thing to do at the time, to subsidize and assist the manufacturing industries of Canada in order to develop greater production; but these same people, like the Canadian manufacturers' association, for example, and the Canadian chamber of commerce, who today go out and rave against the subsidy system and in favour of free enterprise, who are against controls, have a very short memory. They were the main beneficiaries of government intervention when it was in their interest for the government to intervene. Now that they have obtained what they want they say, "Throw it wide open. We want free enterprise from now on." That is a very comfortable position if you are in the driver's seat, but there are many people in this country who are very serious about this matter and who know we shall never move out of the field of subsidies. If we did we would have to revise our whole economic system in a backward direction, and it cannot be done. If we moved out of the subsidy field in its full sense we would have no social security schemes in this country, because that is a means whereby the wealthier subsidize the poor. We would have no government assistance of any kind to industry; and some of those who today are crying about controls would be the first to weep bitter tears and ask the government to intervene in their behalf. So let us not kid ourselves about free enterprise; we do not have it in the full sense of the word, and we will not have it. What we will have is a combination of free enterprise and public enterprise, and it is up to the government to provide the balance wheel of public enterprise in order to keep prices at reasonable levels. I am not saying the government must do it all, because the co-operative movement in this country has been doing a great job in keeping prices at reasonable levels.

Mr. Gardiner: Ever since the Liberals first encouraged it.

Mr. Zaplitny: I remember that the Liberals encouraged it a couple of years ago by slapping on an income tax. If it had not been for the fight this group put up in the house for a period of about ten days the co-operatives would have been taxed out of existence; and the Minister of Finance (Mr. Abbott) was the first to admit it.

But let us not get sidetracked on that subject; let me follow through with what I was saying. The co-operative movement, if carried into government and public affairs, would be one method of keeping prices reasonable, because there is no profit motive in a co-operative association. It is production for use and service at cost. When you take out the profit motive there is no reason to jack up prices and profiteer, because people would not be so foolish as to charge themselves more than is necessary for their services. Co-operatives have an equalizing tendency in keeping prices at reasonable levels. But co-operatives are limited in what they can do. They are limited in the amount of money they can raise; and some of the things that need to be done in this country must be done on a large scale. Only the federal government have the finances with which to do them, and only the federal government are in a position to do them. In the meantime, until they accept the philosophy of public enterprise as one of the chief factors in our economic life, we must have price control or we are going to have profiteering.

But let me move on. We also need increased income tax exemptions for many of the low-income groups in this country. Here I want to quote from a leaflet entitled "Labour Research" containing figures which come from the statistics branch of the Department of National Revenue. These figures are for 1946, and I am told more recent figures are not available because the income tax department is about two years behind in supplying these statistics. The Minister of National Revenue (Mr. McCann) shakes his head. If he can produce the figures for 1948 I shall be very glad to see them. According to these

figures the breakdown of incomes in this country for 1946 showed that those receiving up to $1,000 a year totalled 13·7 per cent, while those receiving from $1,000 to $2,000 a year comprised 52·8 per cent of our population. The figures show that 89·3 per cent of the people of Canada earning incomes received less than $3,000 a year. If you take the two lower groups and add 52·8 per cent to 13·7 per cent you get 66·5 per cent; and you can appreciate the position of 66·5 per cent of the people of Canada who are receiving less than $2,000 a year and still have to pay income tax.

If I were to carry on a bit further I might point out that the trend in regard to savings over the last three years is very serious. The speech from the throne makes reference to this wave of prosperity which is supposed to be bubbling around us.

We may have been at the crest, but it appears from the report on savings that the crest has passed and we are on the way down. Soon, we may be in the trough. In 1944, the percentage of income that went into savings was 21·6 per cent; that is, it was possible to save roughly one-fifth of your income, taken on an average across Canada. By 1947, that percentage of income which could be saved fell to 6·4 per cent. This is a serious drop in the space of three years. If that trend continues, by 1950 and 1951, that portion of income which the ordinary people of Canada can save will have disappeared entirely owing to the high prices.

Mr. McCann: The government was doing the saving for them in 1944.

Mr. Zaplitny: You are no doubt referring to compulsory savings. Whether they were compulsory or voluntary, they were savings at the disposal of the people of Canada. The portion of income people have been able to save has slipped from 21·6 per cent in 1944 to 6·4 per cent in 1947. You cannot refute that argument.

I wish to refer to a few more items in connection with agriculture. The speech from the throne makes mention of an amendment to the Prairie Farm Assistance Act. I have no way of knowing just what is contemplated, but I do hope it will include the type of amendment we have urged from here on several occasions in the past, to the effect that the unit be made smaller than a township for the purpose of qualifying for assistance. In Manitoba, particularly the northern part of that province, where we suffer more from hail and flood than we do from drought, such an amendment would be of importance to many farmers in acquiring assistance to which they are morally entitled but which, because of the technicality involved in putting it on a township basis, is denied them. I have taken this matter up on so many occasions, I shall not take the time to go into details. The Minister of Agriculture knows very well what I mean. He has been in the area and has seen for himself the grave injustices which arise from the present system of administering the act. It must be made possible to administer it on a smaller unit basis so that the farmers who actually need assistance will be the ones to receive it.

At the present time we have the anomaly of farmers who have a good crop receiving assistance on top of that, whereas the farmers who are completely wiped out by flood or hail get nothing. Surely, that is an administrative problem which should be solved before this session is completed.

There is also need for the extension of the Prairie Farm Rehabilitation Act. As a matter of fact some members, including the member for Souris (Mr. Ross), have argued the act should be made applicable to all farmers from coast to coast. I am going to make this plea to the Minister of Agriculture (Mr. Gardiner), that the designated area be extended to include the three prairie provinces. As it is now, it covers only a section of the three prairie provinces, usually referred to as the Palliser triangle. There are other parts of these provinces which need the services of the rehabilitation provisions just as seriously. There is a need for flood prevention and water conservation, which makes it necessary to extend the operative provisions of that act to take in the total area of the three prairie provinces. I am sure the minister will give that suggestion serious consideration, knowing the problem as he does, around the area of Dauphin particularly, about which I am speaking at the present time.

Another thing which would bring about greater national unity would be an equalization of the burden of freight rates across this country. It is not necessary for me to go into detail on this subject because we talked freight rates at the last session until we dreamed about them. Nothing has been done as yet to solve the problem. The railway companies have received one increase of 21 per cent and have made application for another increase of 20 per cent.

May I say at this point that I am pleased to see the hon. Minister of Justice (Mr. Garson) take his seat. As premier of the province of Manitoba, he was one of those who went all over that province making a lot of fine speeches about their opposition to the increased freight rates. Fate has so arranged it that the hon. member is today the Minister of Justice. I say it is his duty now

to see that justice is done on the freight rates question. When this matter comes before the house, it will be interesting to see what stand the Minister of Justice will take, since he is now a member of the government. I wonder if he will be as bold in his statements, as sweeping in his denunciations of the actions of the government, as he was in Manitoba. I hope he will not retreat from his position, since it might cause some of us to say some very nasty things about him.

For the remainder of my time, I should like to turn to another subject which is of great importance in connection with national unity, and that is electoral reform. Recently a bill was placed before the house by the hon. member for Quebec South (Mr. Power). I am not going to discuss that bill, Mr. Speaker, but merely refer to it. In his opinion this bill would have the effect of reforming some of the practices that are being carried on during elections. At the outset, without discussing the bill at all, I should like to say I am not convinced we can legislate any political party into honesty. I am not that much of an optimist. The bill may have, however, some effect in bringing out discussion in this house. It is a serious matter that such practices do take place.

I refer now to an article which the hon. member for Quebec South, a former Minister of National Defence in this government, wrote and which appeared in *Maclean's* magazine. I will have time to quote only a few excerpts from this article concerning the practices which have been carried on by his own party. I wish to congratulate the hon. member on his frankness. I believe he has done the people of Canada a public service. The article reads as follows:

> There was a time, of course, when votes were literally bought for money in the market place. I well remember an incident, more than forty years ago, when the Liberal buyers set up shop on one side of an actual market and their Tory competitors for votes on the other, while the vendors, the voters, moved from one side to the other, offering their franchises to the highest bidder. It was a tight election and toward the end of the day single votes were going for as high as $75 and $80 and one transaction was even recorded for an even $100. When the exchange, or rather the polling places, closed the winner's majority was two votes.

If the other party had had $300 more, they might have won the election.

Then the writer goes on to say that such things are not done any more. This was forty years ago, and we have now become smoother operators. Today there are surreptitious deliveries of coal, large orders of groceries, or even electric washing machines made at the right moment. Surely, the people of Canada do not approve such tactics.

[Mr. Zaplitny.]

Mr. Smith (Calgary West): If you continue reading that article, you will see the writer says the people who owned the washing machines came and took them away again.

Mr. Zaplitny: That is right. I was only trying to save time. Bills were sent for those washing machines and they had to be returned. The people of Canada will, no doubt, be astonished to find out that is still going on in this country of ours. Surely we should set higher standards of behaviour when we appeal to the people of Canada.

The people are asking these two simple questions.

First, why does the Liberal party, as revealed by one of its own members, find it necessary to offer cash, groceries or washing machines for votes, if their policy is correct? And second, where are they getting the money from?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I count it a great privilege to have another opportunity to represent the constituency of Fort William. The people there are intelligent, sensible, honest and progressive, and I still consider it a great honour to represent them.

My first words are those of congratulation of the mover and seconder of the address in reply to the speech from the throne. I know the mover somewhat intimately, because he is my roommate. He is a faithful, hard worker; there is not a lazy bone in his body, and the government would do well to consider him for advancement. He is not in his seat, so I am free to say this.

Then, there are two other men, neither of whom is in the house tonight—and one of whom will not be here. There are no other two men who stand higher in my respect because of their unselfish service. The first of these is the former member for Carleton; for any man who resigns his seat to let another man come in to take his place is rendering an unselfish service. Indeed, had he not done that, the leader of the opposition (Mr. Drew) might not have been in his seat at the present time.

The other man to whom I pay tribute is an old friend, the hon. member for Neepawa (Mr. Bracken). He, too, did an unselfish thing by stepping down to allow another man to take his place. The House of Commons would be much poorer if he were not here, and I pay tribute to him.

My next words will have reference to the speech from the throne, which contains many good things, as I am sure you will agree, Mr. Speaker, after I have finished. The speech is full of hope, and contains suggestions concerning actions which I hope will come to pass. These are not empty promises.

I would congratulate the Minister of Finance (Mr. Abbott) upon trying to pay off a little of our national debt. Some hon. members well know that there are people who will borrow money on Friday, tell you they will pay it back on Monday, but who do not "come across." Any minister representing an honest government, as we believe we have, has a right to see that the debts are paid.

The speech contains much hope in that its first suggestion concerns tax reduction. The first measure of reduction will come about because of the slice which will be taken off the national debt; for that reason some taxes will not need to be paid.

Then, there is the further promise in the speech from the throne that the sales tax will be reduced, which in my opinion is a proper procedure. The common people are hit hardest by the sales tax, and when it is reduced the cost of living must come down. In that connection let me say there is one extra sales tax, over and above the regular business sales tax, which should be wiped out completely; I refer to the 25 per cent tax applied to the business of jewelers. That should be wiped out, and I fully expect it will be.

Then, further, the tax on soft drinks and chocolate should be reduced. However, we shall have another opportunity to speak on that point because a Liberal member has had the foresight to introduce the subject by way of a resolution now appearing on the order paper.

Another hope held out in the speech from the throne is that of the construction of great waterways. The Prime Minister (Mr. St. Laurent) has given us much encouragement in this connection, and I believe President Truman is a man of his word. It would seem now that the great waterways project would reach fruition before any great time has elapsed. We at the head of the lakes believe this to be an absolute necessity. We know it will help employment, that it would furnish much-needed power and that it would be of great advantage to transportation. I would like to be able to step onto a freight boat at Fort William and go across to Londonderry. I would enjoy riding even on a freight boat for that distance because of what I would see when I got there.

This construction of a great waterways project would mean much in the development of power. I need scarcely tell the House of Commons that we at the head of the lakes are in a comfortable position, so far as our supply of power is concerned. When people in this section of Canada could not get the power, we were revelling in it, and did not need to turn off our lights, if we did not want to. And if there is anyone here who is thinking of opening up a new industry, then let me tell him that because of our supply of power, water and good fresh air, the finest place in Canada would be Fort William or Port Arthur.

Mr. Brooks: And lots of wind, too.

Mr. McIvor: Another hope in the speech from the throne is for the building of the trans-Canada highway. We at the head of the lakes think this should come through, and have held the view for a good while. However, if you keep pecking away at a thing long enough, if it is right you will get there eventually. We believe that the trans-Canada highway will soon be a reality, and we thank the Minister of Mines and Resources (Mr. MacKinnon) for his big-hearted co-operation. This highway would be of great advantage to people in the east, so that they could come up yonder to lake Nipigon, up through Port Arthur and Fort William, up to Hillcrest on the top of the hill. Boy! the view there would pay them for the whole trip. And then, if they were to go around Fort William and up past Loch Lomond, 800 feet up on Mount McKay and looked over that scenery, they would realize that it is truly gorgeous! There is nothing to touch it in all Canada. Therefore I thank the minister for the work he has done.

The Minister of National Health and Welfare (Mr. Martin) is not in the house, but I should like to congratulate him upon his visit to the head of the lakes. We had a promise of $200,000 for an addition to our sanatorium, one which serves not only the Thunder Bay area, but the whole of northern Ontario. Because of the number of Indians and others who were being cared for in that sanatorium, the former Minister of National Health and Welfare said that $200,000 would be set aside for us. Some difficulty developed. We thought we had that $200,000, and we were not going to let go. When the minister saw our sanatorium, and the work being done, and when he saw the way the Indians were being cared for there was no further doubt about our getting it. For this we thank him.

I should like to speak about another matter which was mentioned either in the speech from the throne or at some other time, something I have advocated for six years, and that is a national contributory pension. Railroad men have called on me, and they say it is an absolute necessity. A railroader may have a pension, but that does not provide for his wife. And any railroader who loves his wife wants to leave the best for her after he is gone. Therefore I say we should have a national contributory pension for all Canada; and I believe this has been suggested by the Minister of National Health and Welfare. Of course that scheme must not conflict with other pension schemes conducted by industries.

I do not know for certain, but I have my own ideas as to who spiked the dominion-provincial conference. My heart was sore when through the years, having built up a wonderful contributory health bill, it was wiped out entirely. We had men from New Zealand, England, the United States and all over Canada who helped in the framing of this bill. We thought it was a fine bill that had been drafted under the supervision of the former minister of national health. I think that bill should be called back from its resting place and put before this house. If all the provinces do not agree, those who do should be able to put it into force.

I have a word to say about old age pensions. Before I came down here I had the honour of being called to speak to a group of older people, some old age pensioners and some who had retired from the different railroads. It was a well conducted meeting. I agreed with those people that the present old age pension of $30 per month is not enough. It will be said that Ontario gives another $10 per month, but very few get it. I stood up in this house last year and congratulated the premier of Ontario on providing that extra $10, but at the present time there are a great many people who have no other income and who get only $30 per month. It is not enough.

The other day I was out tramping around and I passed the home of an old age pensioner about 8.30 in the morning when some hon. members are supposed to be taking it easy. I called in and found that breakfast was still on the table, so I said, "I am just in time." They had porridge, but they had no milk and no brown sugar. They were buying their little cottage which their son-in-law had helped to build.

I hope the province of Ontario will rise in its dignity, in its honesty and in its spirit of self-sacrifice and give every pensioner that $10 per month extra no matter who he is. I think Ontario will do it. British Columbia does it and I think Ontario is just a little better than British Columbia.

I am not forgetting Fort William, of course. Some of you may think that there are no farmers at Fort William; you may think that we have nothing but water, rocks, scrub, bush and mines. We have those things, but in addition we have one of the best farming districts in Ontario. The farmers in this district are well looked after. Mr. Harrison is the agricultural representative and Mr. J. K. Knight is the supervisor of the agricultural substation. Those men keep the farmers on their toes.

Then there are many agricultural societies and our farm life has developed considerably. Our farmers are encouraged to do things in the right way. Many attractions are offered to the boys on the farm. These efforts appeal to me, as I am sure they would appeal to anyone who wants to see the young people kept on the farm. We have a good baseball league in that district. If you want to spend a thrilling night you should attend one of those evening games in the summertime. Not only do they put on a good round of baseball; they provide refreshments of a type that permits you to go home without your head being light.

In the wintertime they have a rural hockey league which attracts large numbers even to the open-air rinks. They play a splendid brand of hockey and the cup that is presented in the spring is well contested.

Then we have other types of competition. Last year I mentioned our 500 bushels to the acre potato club. That was carried on this year and F. J. Kailik of Upsala managed to produce 649 bushels of potatoes to the acre, not just 500 bushels. I say to other farmers that if they want to know how to raise potatoes they do not have to go to Ireland. If they go to Kailik he will explain the program that enabled him to achieve that production.

Then we have the hundred bushels to the acre oats club. Mr. Finholm of Cloud Bay raised 105 bushels per acre of good oats. I think that record leads Canada.

We have several farm associations which are supported splendidly by the Department of Agriculture under the leadership of the minister. We have the head of the lakes agricultural society and there are many exhibitions held in the fall, the principal ones being at Fort William, Murillo, Hymers and Upsala. The chief attractions at these fairs are animal husbandry and farm products.

Fort William and Port Arthur are known for their good record in connection with juvenile delinquency, something to which the good city of Toronto cannot lay claim. They might be able to make that claim if they

would take my advice. We have a family juvenile court which helps, but perhaps what is of even greater help are our supervised playgrounds. These are conducted all through the summer so that our boys and girls do not have time to get into mischief by hanging around in gangs. We have our swimming pools under the supervision of the Y.M.C.A. and many boys and girls learn to swim during the summer months.

A large section of our library is set aside for boys' and girls' books. The librarian has conducted special film showings with the assistance of the film board here in Ottawa. Our city is really tops of all Canada in film showing. You see that through their eyes, through their bodies and through their hands and feet we keep our boys and girls busy so that the devil does not have a chance to get into their lives.

I do not think there is a city in Canada where the churches, Protestant, Roman Catholic, Jewish and Gentile, are more on their toes than in Fort William. Our people do not mind paying their ministers decent salaries. I would consider it a special privilege if Toronto would send up one of those hoodlum gangs and let me place them on one of our hockey teams. I think they would go back to Toronto ready to conduct themselves sanely.

We have a mining district west of Fort William fifty miles wide by one hundred miles long. I should like to read a brief description by W. A. Gray of the Shebandowan district. He says:

> The Shebandowan area lies in a belt of rocks comprised of sediments and volcanics which have been intruded by granite, porphyry, gabbro, diorite, diabase and several smaller intrusions.
>
> Geological conditions are similar to other areas where gold and base metals are being produced.
>
> At the south-west end of the belt gold was produced from the Ardeen mine. East of this you have the great lakes copper property which at present is developing a large deposit of copper-silver-gold around the old Tip Top mine.
>
> Three miles east of this at Kashabowie, Andowan gold mines are developing a copper-gold property along with their associates, Norpic Mining Company. East of this you have the International Nickel property which, although not producing, has outlined an ore body by diamond drilling, and is talked about as a billion dollar deposit in nickel, copper, gold, platinum and platinum group metals.

May I interject here that I think the International Nickel Company should be compelled to open that mine, and not just keep it for a future generation.

> Around Shebandowan lakes there are many gold, copper and nickel finds. Some of them have had considerable development and have proved commercial ore bodies, but due to conditions and lack of finances never were able to come into production. Geophysical surveys have been made north of the village of Shebandowan, and large anomalies have been found by this work and have never been diamond drilled. The Shebandowan area offers plenty of possibilities for finances, and if work was done systematically and money spent wisely, there is no doubt that more mines would be produced, and of large tonnage, as the deposits so far found in the area are of the major type.

I should like to ask the minister to see that something is done towards the opening up of new gold mines. I know some of the old mines are able to carry on, but they are having a terribly hard time. I was very grateful to the gold mining district north of Port Arthur for the way they helped us during the depression. They took hundreds of our young men who could not get work anywhere else.

Then again we have a trades and labour council in Fort William. We think it is just about the best. There are Progressive Conservatives in that body; there are Liberals in that body; there are C.C.F.'ers in that body; there are some Labour-Progressives in it, and there are some who think they are better than any of the others. As a labour body they are not contributing to any political party as far as is known. They were somewhat disturbed in the past year, and I was disturbed with them, because of the treatment of young men who make their living on boats. I mean the merchant marine. I think it is not fair for young men to leave Canada, sail across the Atlantic, and then find they have not any ship to bring them back home again. I ask the Minister of Labour (Mr. Mitchell) to see that the merchant marine receive decent treatment. I know we have at the head of the lakes one shipping company that would not stoop to that sort of thing. It is headed by Senator N. M. Paterson. He treats his men fairly if they co-operate with him. I congratulate him on the way he treats his men.

We have new industries at the head of the lakes. There is an old starch factory which was taken over by a group of men and is now producing edible oils. The former member for Moose Jaw has taken quite a part in it. He was kind enough to tell me that he thought Fort William was the best place for that project, and I think so, too. Then we have a fuel oil industry which is growing rapidly. The Minister of Trade and Commerce (Mr. Howe) will know that we have the manufacture of starch from wheat, but because wheat went up in price they are pretty well out of business. If the Minister of Agriculture (Mr. Gardiner) and the Minister of Trade and Commerce could give this company the same subsidy that is given to flour mills we would appreciate it, because the day will come when wheat will not sell for as high a price as it does today.

We have certain needs at the head of the lakes. From the Steep Rock mine trainloads of hematite ore are brought to Fort William and then taken to the United States. We

think we should have a smelter so that we could keep that ore in Canada and not have to buy back steel from the United States. That is an absolute necessity. If I had strong enough powers I would see that we had a smelter there. Then we need a breakwater at island No. 2. I should like to congratulate the Minister of Public Works (Mr. Fournier) on dredging the McKellar river and lowering it by 20 feet, so that steamers will be able to go up the McKellar river instead of having to go away down and back into it, and then go out that way again. That is one of the finest things that the Department of Public Works has done for Fort William in many a long year. We need a public dock. We have no public dock. It is perhaps my fault that I was blind to the need, but we hope that will be remedied this spring. Then we need the development of Mount McKay into a public park. I spoke of that last year. The scenery is par excellence. There is not anything to beat it in all Canada, but the Indians are in control. They have not the ability to develop it, and what has been given to them has perhaps been abused. It would make a splendid public park. People from the United States and Canadians from east and west could enjoy the scenery.

To come back to pensions, I should like to pay tribute to the chairman of the pension board, Brigadier General Melville. He is a splendid friend of the veterans, and is doing a magnificent job. There are some things, however, that he cannot do without legislation. I think Imperial veterans who have been twenty years in Canada should be given the burnt-out pension. The veterans of the South African war are holding a convention in London, I believe in July. I think that the Minister of Veterans Affairs (Mr. Gregg) should see to it that a number of veterans have their passages paid over there, because some of these old veterans have not a great deal of this world's goods.

I have here something I enjoyed reading. It is the platform of the Progressive Conservative party as established by the Progressive Conservative national convention, the program on which the party and its new leader, the hon. member for Carleton (Mr. Drew), hope to be elected. I should like to refer to plank 27, a Canadian national flag. I do not know whether or not that will come about under the present government leadership but I wonder what kind of flag they are going to propose.

Mr. Brooks: It would not be one like the one you brought in here a year ago.

Mr. McIvor: Then again we get a lot of literature to read. I read all I have time to read, and some of it I just look at. I had great pleasure this past summer in spending a day, or part of a day, when I was not busy at anything else reading "Harvest Triumphant" by Merrill Denison. It is a good book, one that is well worth reading. I think the leader of the opposition (Mr. Drew) should advise the department of education in Toronto to place this book in our public schools for collateral reading. It shows the daring, courage, Christian character, ability and perseverance of the early settlers of Canada.

I should like to congratulate the Secretary of State for External Affairs (Mr. Pearson). I have never been very close to many of the deputy ministers, but from what they do we know of their outstanding ability. I congratulate the Secretary of State for External Affairs on the work he has done in striving to set up Israel as a nation. I think that was a fine thing, but again it is necessary for me to prove it. There is not a nation in the world that has done as much for civilization as the Jews.

The greatest sanitary expert that the world has ever known is Moses. If you do not remember it, go back and read it for yourselves. We would do well to practise some of his teachings. If we did we would not have so much stomach trouble. The greatest lawyer the world has ever known—he is not excelled even today—was Moses. The laws of Canada, of the United States, of Great Britain, and all jurisprudence are based upon the ten commandments. Sometimes they were changed a bit but not to their betterment. You will find that it is all there. In addition they have given us this old bible. There is no book to compare with it. It is never out of print, and it is the best seller today. I notice that a large number of hon. members have a copy of this old book in their offices. I suppose they also have it on their room tables.

As far as literature is concerned, there is no other book that will compare with the bible in beautiful diction, in simple language and in plainness of speech. I wonder, Mr. Speaker, whether you would permit me to give you a quotation from the bible, taken from the 55th chapter of Isaiah.

> For as the rain cometh down, and the snow from heaven, and returneth not thither, but watereth the earth, and maketh it bring forth and bud, that it may give seed to the sower, and bread to the eater;
>
> So shall my word be that goeth forth out of my mouth; it shall not return unto me void, but it shall accomplish that which I please, and it shall prosper in the thing whereto I sent it.
>
> For ye shall go out with joy, and be led forth with peace; the mountains and the hills shall break forth before you into singing, and all the trees of the field shall clap their hands.

You cannot show me in the writings of any poet, ancient or modern, any passage that will compare with it in simplicity, directness and diction. No other book written can com-

pare with the bible, which is written in words of one or two syllables. The second book to it is Bunyan's "Pilgrim's Progress." Some believe it and some do not. I believe it.

Somebody asked, "What is truth?" Anybody who reads the 14th chapter of John will know what truth is:

> Jesus said unto him, I am the way, the truth and the life.

That truth will never change. The only thing that is the hope of civilization today is that truth put into practice. I am happy to say that a great many hon. members agree with me in this. A poet has said:

> There is a divinity that shapes our ends,
> Rough-hew them how we will.

In conclusion I wish to congratulate the Prime Minister on the way in which he finished his speech. This is what he said:

> There is something more important than dollars.

I thank him for that. Then he said:

> Man shall not live by bread alone.

That is true. If you and I practise that, and if the Prime Minister keeps that to the fore, as the former Prime Minister did, he will lead Canada in a way that is equal to the leadership that any country of the world has ever had.

Mr. John R. MacNicol (Davenport): Mr. Speaker, in spite of the kindly remarks of the hon. member for Fort William (Mr. McIvor) about the great city from which I come, I am proud to be a humble citizen of Toronto. If there are one or two hoodlums in a population of a million, that does not spoil the whole city nor does it spoil the great metropolitan city from which you come, Your Honour.

That is all I am going to say in reply to the remarks of my hon. friend. I rise tonight to take up another subject, namely the marvellous effect that navigation on the great lakes has had on the building up of the economy of Ontario. I shall spend most of my time talking about Ontario. What would we do in Ontario without our great harbours? I do not know. They have had an outstanding place in building up Ontario and also Canada. I would not touch on this subject at all had it not been for something the Prime Minister (Mr. St. Laurent) said when he spoke the other day. I do not intend to criticize what he said, and I am not going to pass comment on it other than to quote one passage. He mentioned the probable implementation of the St. Lawrence canal proposal at Washington. I shall quote from page 66 of *Hansard* of January 28. This is what the Prime Minister said:

> I think it is only fair for us to say that if we cannot at this time get implementation of this agreement for the double-barreled purpose of navigation and power, the value of the power is so great that we shall have to give very serious consideration to going ahead and developing it on the power side alone—which would be amply justified, I think, by the economic benefits which could be derived from the power alone.

I wish to emphasize as strongly as I can that in our dealings with our cousins to the south, while we promote as strongly as we can the production of power in that agreement, we must not under any consideration forget the vast advantages that accrue from navigation.

This province and its great industry are a living example of what has happened because of our ability to navigate the great lakes. In preparing to take part in the debate on the St. Lawrence canal, when and if it ever does occur in this house, I made a very exhaustive survey of everything pertaining to the subject, but one survey was in connection with the fifteen ports in Ontario on the great lakes and connecting rivers. I was much impressed in learning what I did on that journey. I shall try to take the house on an imaginary journey over the course that I took, which should show, if I can properly express it, the vast advantages that have accrued to Ontario, to Canada and to the economy of all of us, as a result of what we have been able to obtain from the navigation of the great lakes. I for one shall not forget the vast place that navigation holds in this whole problem.

I shall first take the house to the head of the lakes from which my hon. friend who has just taken his seat comes. There are congregated elevators whose capacity is greater than that of any other centre in the world so far as I have been able to ascertain. I believe that the elevators at the head of the lakes have a storage capacity of almost 150,000,000 bushels of grain. They are so well equipped with loading and unloading machinery that five or six hundred million bushels of grain are passed through these elevators in some years and sent on down east. I am going to follow the grain east for a while. A large proportion of it goes directly overseas either from ships right to Montreal or by being unloaded at the lower lake ports and then by rail to the ports on the Atlantic ocean. First of all I am going to talk about the ships that go down the lakes, loaded with grain, which unload their cargoes at one of the great Ontario bays, Georgian bay. Therefore after returning from the head of the lakes I shall take the house to the first port that I visited in the course of my survey, the port of Midland.

Midland has more elevator capacity than any other elevator centre on the lower lakes.

I believe the elevators there have a capacity of approximately 14 million bushels. So magnificent is the loading and unloading equipment at that point that through that port on Georgian bay pass approximately 58 million bushels of grain per year. Lest I forget, I must say that all this grain comes from our great western provinces, to which the province of Ontario owes a very great debt of gratitude. The harbour has a draft of not less than twenty-five feet. It is an excellent harbour. It could be improved and made larger, and I hope the government, in surveying what has been done, will do something in that regard. I am glad to see the Minister of Public Works (Mr. Fournier) in his seat, for I believe such matters come under his jurisdiction. I hope the responsible minister will see to it that the harbour at Midland is extended. There is ample space to extend it. I examined it very carefully. The extension of it would permit the berthing of more ships loaded with grain in the fall of the year.

A day or two ago I read in the newspaper that, at present, in the Midland harbour the ships and elevators are plugged to the roof with 50 million bushels of grain. If the harbour were extended, perhaps boats containing another 25 million bushels of grain could be berthed there. It is important that we do everything we can to handle the capacity shipments of grain which are sent down to us by those devoted farmers of the three western provinces.

Just across the bay from Midland there is another port, Port McNicoll, named after the late David McNicoll who for many years was the general manager of the Canadian Pacific Railway. This port has elevators the capacity of which is about 6½ million bushels. There, too, as well as at Midland, the loading and unloading equipment is so efficient, and the men operating that equipment are so capable that through that port almost 50 million bushels of grain are transshipped yearly. This makes a total of over 100 million bushels per year for these two ports. All this grain does not go through to the ocean ports. A lot of it goes out by railroad and truck to the great counties surrounding these ports, the counties of Simcoe, Grey and the other counties thereabouts where it is used by the farmers, chopping-mill operators or flour mills. This is a tremendous business, sir.

Continuing west, the town next to Midland is Collingwood. At Collingwood there is also an excellent elevator. At this port, in distributing the grain, they go farther than any other port I surveyed. The elevator capacity at that point is about 2 million bushels, but they handle up to 15 million or more bushels a year, two-thirds of which goes to the farmers in the counties of Grey, Simcoe, North Wellington and perhaps partly into the county of Bruce. This is a tremendous business, Your Honour. We in Ontario are very proud of that marvellous business built on the handling of western grain. We are all working together. In Ontario, we help the west by using the grain and the west helps us by producing it.

The harbour at Collingwood has a draft of about twenty-two feet. It could be improved. I did not find many complaints. The main complaint is that when there is a storm on the bay there is difficulty in getting into the harbour behind the elevator. The elevator is most expertly managed. The men who operate these elevators are men of whom we might well be proud for their expert ability in processing, shipping and distributing the grain grown by our western farmers.

The next port is that of Owen Sound. Owen Sound is a very beautiful city represented in this parliament by my hon. friend from Grey North (Mr. Case). There is a splendid harbour and an excellent elevator, due mostly to the efforts of a former member of this house, Mr. Telford. I believe he sat on the other side of the house. This elevator is a credit to the men of Owen Sound who organized and built it. It handles approximately 25 million bushels per year; that is big business. A large portion of the grain goes to the surrounding counties, helping to build up the great livestock trade for which Ontario is so well known. This harbour is large enough to permit another elevator, and I hope the men of Owen Sound will go ahead and build another one.

Continuing around the Bruce peninsula we come to the very excellent harbour of Goderich, represented in this house by the hon. member for Huron North (Mr. Cardiff). Goderich is one of the best harbours on the whole of the great lakes. It has about a twenty-five foot draft right in from the lake. The harbour could be improved. The fine men operating the two main elevators in that harbour do a magnificent job but they are handicapped by an island right in the harbour. I am going to ask the Minister of Public Works to take notice of that and see that the small island is removed. If one watches the movement of boats in the harbour it will be observed they find it difficult, when backing up from the elevator, to avoid backing into that island. If the little island were removed it would allow more ships to be berthed in the harbour, and thus more grain could be handled. If you went to Goderich today, you would find the harbour full of ships, which they move around after sawing the ice and taking it out of the har-

bour. Then, the grain is unloaded into the flour mill and elevators which are located there. The harbour at Goderich brings great credit to the province of Ontario.

I must hurry along, as time is short. Continuing down the lake, we come to another great port at the city of Sarnia. This city is growing very rapidly. I have to be very careful, since the representative of that city is present, but I believe the population is around 40,000. Located there is an excellent elevator. It has not as large a capacity as that at Goderich, which is 3,600,000 bushels, but a capacity of about three million. The elevator distributes approximately fifteen million bushels of grain which comes from the west. The elevators at Goderich process approximately thirty million bushels of grain.

At the city of Windsor, represented by my hon. friend the Minister of National Health and Welfare (Mr. Martin), there is a very fine elevator. I am happy to learn that plans have been made for doubling the capacity which is, at present, 1,325,000 bushels. I was very pleased to be able to observe the elevator in operation when I was there. Approximately ten million bushels of grain are distributed or handled by this elevator, a great deal of which is distributed throughout that magnificent county of Essex. There are many stock raisers and farmers in that splendid county doing a fine job.

Mr. Martin: There are no better people.

Mr. MacNicol: When we leave Windsor, the next stop is at the lake Erie entrance of the Welland canal, at Port Colborne and Humberstone. There too are elevators that have a capacity of over 6,500,000 bushels but through which pass upwards of 40,000,000 bushels of grain a year. Some of this grain is distributed out around the counties of Welland, Lincoln and Haldimand. Few people would think that Toronto would have elevators, but we have. Anyone inspecting the harbour at Toronto today would be amazed to see the four gigantic elevators located there—two rows of tanks, I think they call them, or silos for holding grain. Those elevators have a capacity of about 8,000,000 bushels. For an inland port, that is an amazing situation. Through these elevators pass 16,000,000 bushels of grain a year, all of which is used for making oil, flour, feed for cattle or cereals for human beings. I do not think much of it is going across the ocean.

Then going farther down the lake we come to the city of Kingston, where there is an elevator with a capacity of approximately 5,000,000 bushels. There again, while that is the capacity of the elevator, it handles up to 25,000,000 or 30,000,000 bushels a year. Much of this grain is distributed as far east as Cornwall and some of it as far east as Montreal. I should like to point out what a magnificent job for the economy of this country is being done by the lake and river navigation and the Ontario ports on the shores of the great lakes.

Then we come to the town represented here by the excellent, capable and hard-working whip of the official opposition, the hon. member for Grenville-Dundas (Mr. Casselman), where there is an elevator with a capacity of 5,500,000 bushels. It is a government elevator managed by a most excellent superintendent or manager by the name, I believe, of Alex Ross, with whom I had a chat. That harbour at Prescott, where I used to swim when I was a boy living down there, is doing wonderful work. These elevators on the lower great lakes have a combined capacity of the sum of the figures I gave, perhaps 50,000,000 to 75,000,000 bushels of wheat, but they have a capacity for forwarding wheat of not less than 150,000,000 to 200,000,000 bushels, or whatever is the total of the figures I quoted; I did not add them up. All of this goes to show what they mean to Ontario.

The farmers in the counties in the hinterland behind every one of these fine harbours use a great deal of that grain. Ontario could not do more than a fraction of what it does for the stock trade of Canada if it were not for the grain that comes down from the west through these lakes and through these harbours. The government assists—and most wisely so, in my opinion—in the payment of freight on that grain that is sold east of Fort William and that comes down here for use. That is a great help to the Ontario farmer and to the western farmer in the selling of his grain in Canada. It is of help to a vast line of businesses that I could not take the time to mention, although I should like to do so, just to give an idea of what it means to these various businesses and industries making material in Ontario for the elevators, for the transport of grain, and in connection with ships, and the thousands and thousands of men that are engaged in that interchange of trade in connection with grain. Thousands and thousands of farmers and others in Ontario would be out of work if it were not for their ability to obtain grain, grown in the west, as it comes down through that line I have mentioned.

We have a great country, Mr. Speaker, if we all just have vision enough to see it, work together and help to build it up. In using the grain down here we are trying to do our part by using a product that is raised in the west. I can foresee in the future of this country a growth of population such that,

instead of selling abroad the vast proportion of what we raise, we shall reach the stage at which the United States has arrived. Only about 6, 7, or 8 per cent of what is produced there is sold outside. Over here we must sell anything over 35 per cent or 40 per cent. Let us all work together and build this country up. That whole line of elevators and ports in Ontario is doing a big job. The men whom I met on that trip, I was proud to meet. They are men of a splendid type. I do not know what there is about the handling of grain; but, whatever it is, it seems to make the men rugged, friendly, gracious and kindly. Everywhere I went I was met with courtesy and obtained all the information I required. I made up my mind that when the time came that I could use it I would present a picture of the vast value of the whole trade not only to my own native province but to the whole of Canada. To all of those concerned in the trade, in the department and elsewhere, who help to see to it that the grain is moved and used, I say, "The country owes you a debt of gratitude."

In the beginning I had intended to tell the Prime Minister (Mr. St. Laurent) in connection with his observation about the probability of the St. Lawrence agreement coming before the senate at Washington, that I doubt if any bill or agreement will be passed for power alone. I have a clipping here but I will not take the time to quote it. Everyone else has read it. It is a statement by the president of the United States to the effect that, with them, it is either power and navigation or neither. So I will again say that I hope none of us here, in promoting the building of the St. Lawrence seaway, will disjoin the two elements. I believe we shall get farther if we keep together those two forks, power and navigation. If we take a stand for one and not for the other, I believe we shall be quoted at Washington as not being united to obtain the whole. We want the whole development. In the picture I have presented tonight of what navigation on the great lakes means to Ontario alone, and through Ontario to Canada, in the matter of transportation, I have presented only one product of importance, namely grain. I could of course give an equally good picture of others, but I thought I ought to confine my remarks to the product raised by our farmers in the west, those men who have done such a wonderful job all these years and under distressing circumstances often beyond description.

My time is nearly up, but I want to impress the minister, who is in his seat, and the other ministers who are equally concerned in the promotion of trade in Canada—and I am convinced that they all are. I can never get myself into the frame of mind where I believe that only men of one group are anxious to promote trade. I urge that an effort be made to encourage the construction of other elevators in Ontario, since I am talking about Ontario, so that the counties round about the suggested elevators can do the same job as is being done elsewhere.

Yesterday I was talking to the hon. member for Nipissing (Mr. Gauthier) about the possibility of a port on the north shore of Lake Huron where an elevator could be built. He told me—and I endorse what he says—that the Spanish river flows into the north shore of lake Huron, and that between its mouth and Espanola there is an excellent site for an elevator which, in building up business, would play as big a part in that section of the country around Algoma and Sudbury as in our wonderful counties of Grey, Huron, Bruce, Kent, Essex, Waterloo, Wellington and elsewhere. So I hope some consideration will be given to that. The fact is that on lake Erie there is no elevator from the time one leaves Windsor until one reaches Port Colborne. The whole of the centre of that great area of western Ontario is without elevator capacity to enable them to have the same great benefits which accrue at other places where they have them.

I should think Port Stanley, situated in the constituency of Elgin, would be an excellent place to erect an elevator. Through the railways grain could be run out into the great counties of Middlesex and Oxford, and other neighbouring counties.

One cannot visit Chatham without wondering why there is no elevator at that point, because there used to be an elevator on the Thames river. Today, however, there is nothing of that kind, despite the fact that Chatham offers great opportunities for the building of a fine harbour. I surveyed it carefully, and I know there is ample water to enable ships to come up to Chatham, if the river were dredged properly. There is ample space for an elevator at that point—all of which would help boost the economy of the great county of Kent, one of the greatest in Canada.

Then, perhaps I should mention other points like Belleville, on the north shore of lake Ontario. Perhaps I need not refer to any other places, although there may be others worthy of mention. However, the object of my speaking along these lines tonight is to congratulate all those who have been associated with the development of the grain trade—those who are connected with the harbours, the elevators, the banks, the farms, the railways and the trucks. I congratulate all of them, and I would encourage them to go on and to expand. The more grain we use in Canada, the better for all of us.

I believe I have time for only one or two further observations. Someone may ask what all this means to Ontario. Well, when anyone looks at the figures he will be amazed, as I was. Not being a farmer—although I lived on a farm—I thought most of the cows and other stock were in the west; because, after all, it is really only in western Ontario and in eastern Ontario that farming is congested. However, I found upon consulting the bluebook that of the total average crop acreage in Canada of 63 million acres and over, only 8,213,000 are in Ontario. But on those acres, because of the assistance from harbours, elevators and western grain, one must look at the vast job they are able to do.

There are more milch cows in Ontario than anywhere else in Canada; the figure stands at 1,250,000. Then, there are more other types of cattle in Ontario, with a figure of 1,618,000; more swine—2,013,000; horses—not so many as in two other provinces, but still 467,000; sheep—not so many, but still 701,000; poultry—we are at the top, with 27,013,000; laying hens, 11,100,000; eggs, 115,000,000 dozen per year, all this from this little province of Ontario—because it is not so large when one takes off the vast unsettled areas north of the main lines of the Canadian Pacific Railway and the old Grand Trunk Pacific in northern Ontario. Then, the figure for milk is 5,700,000,000 pounds in this little province of Ontario; butter, 76,700,000 pounds, and cheese, 96,000,000 pounds. I give much credit for that to our western farmers, because the Ontario farmers could not have achieved that high record, that enviable peak, had it not been for our ability to obtain western grain.

Then, as my last word, may I give credit to the splendid harbours on our great lakes, those I have mentioned—as well as the men who operate the elevators, the railroaders and truckers who take the grain away, and all those others who are associated with the movement of grain in Ontario from the time the grain reaches us from the west until it is on our farms. This grain has enabled the Ontario farmers to do the great job they have done, as represented by the figures I have just placed on record.

In support of our arguments concerning the St. Lawrence seaways development, let us keep both programs together—both power and navigation. I am convinced that if we do that we will get both; and if we do not do it I am not sure that we will get either.

Mr. David A. Croll (Spadina): Mr. Speaker, in rising to participate in this debate I wish particularly to welcome to the house the Secretary of State for External Affairs (Mr. Pearson) and the Minister of Justice (Mr. Garson). For a long time we have admired their respective careers, and it does us good to have them with us in the house.

I should like also to extend a personal word of welcome to the hon. member for Carleton (Mr. Drew). Party politics aside, he and I, and the hon. member for Kingston City (Mr. Kidd), have something in common. We are the only members here who sat together in a provincial house. The leader of the opposition (Mr. Drew) followed me in the provincial house; he followed me to Ottawa—indeed, I feel as if I am being followed. But I can assure him I shall do everything I can, and I hope successfully, to stop his following me over to the government benches.

The first point which strikes me in the address of His Excellency is that it devotes itself to the present and looks to the future. We as a party are not content to rest on our past achievements. I am not minimizing the record of this government: there it is. It is worth looking at, not once but twice. Certainly it is not from poverty of performance that I suggest we should not rely upon our past record. But the fact is that it is past. The record shows what we stand for; and we are not going to be content to stand on our record. Much requires to be done today and tomorrow. This much we can say, that today Canada is stronger and sounder than she has ever been in her history; and that the people of Canada can and will stand five more years of good government, and the prosperity that has gone with it.

Let me say something about foreign trade. Our exports have reached the all-time high record of $3 billion, one-half of which has been with our neighbours to the south. What was more important than the volume was the ever-increasing variety of exports. No longer are we a one-commodity or two-commodity country. Those who have been at the helm and who have planned and encouraged industrialization have rounded out the economy of this country so as to give us an entirely new stability; and our high level of production is reflected in the employment index, which continues to rise to a new peacetime record.

I am happy to say that industrial relations seem to be going through a bedding-down process as the two partners, labour and industry, are learning to get along with each other much better than they have in the past. It is worthy of note and worthy of recognition that labour is becoming more mature and is taking the long view. Under present circumstances the emphasis is on pensions and security rather than on short-term gains.

In order to ensure manpower for our expanding economy the government is moving ahead with the most ambitious immigration scheme we have had in the last 35 years. I saw government immigration officials in Italy, France, Germany and Austria and I

found them competent, considerate, interested in their work and willing to help people to get to Canada as quickly as they could. I found the administration to be as good as could possibly be expected. I do not like to name anyone on the floor of the house, but I am told that the commissioner of immigration, Mr. Jolliffe, is responsible for the present set-up. He has done an excellent job. I was impressed with the people I saw, with the work they were doing, and I felt that they were a credit to Canada.

During my trip I talked with many people of all races and all nationalities in different camps. I am happy to report to the house that not once did I receive a complaint that there was bias or discrimination on the part of the Canadian immigration officials in these various countries. These people were all impatient to get to Canada, but they agreed, and I agreed with them from inquiries I made, that the officials are free from bias and that the choice is being made on merit. For that reason, I was interested in the few words said the other night by the hon. and very kindly and gentlemanly member for Middlesex East (Mr. White). I quote his statement from page 127 of *Hansard* as follows:

> I do not know of any department that is so discouraging to work with or from which you get so few results as the department of immigration.

I have many occasions to visit the department of immigration and the officials there have never failed to show me every courtesy. I am satisfied that not only are they conscientious and able, but that they are understaffed and over-worked. In my opinion they are doing an excellent job for which they deserve very high marks indeed. I have one thing for the ears of the government. I do not think the regulations are wide enough. I think there should be an immediate broadening of the relationship category to a point where a person would be admissible if he had a relative of any kind in this country who was willing to give the necessary guarantee. As a matter of fact I am prepared to go further than that. If a person has in this country a friend who is willing to vouch for him, who will be responsible for him, that person should be permitted to come here.

Our experience in this country with immigrants has been excellent. They have made a fine contribution by their addition to the Canadian scene. We are particularly lacking in professional and technical people, doctors, dentists, teachers, lawyers, professors and technicians. Europe is full of such people, who are anxious to come here to contribute their knowledge and skill. I think the time has come to broaden the occupational categories. We can use these people in the urban areas and we can use them particularly in the rural areas where they are badly needed. Last week when in Toronto I made a speech which was reported in the Ottawa *Journal* of January 31, which report reads:

> . . . the Canadian medical profession has "actively worked" to discourage the entry of refugee doctors into Canada.

And again:

> . . . it is to the discredit of many of our professional bodies that they have actively worked to discourage immigrants in their particular fields.

The charge was promptly denied by Dr. Magner, president of the Canadian medical association. *Maclean's* magazine of February 1 contained a leading editorial which reads:

> Canada Needs Brains, so Why Keep Them Out
>
> But there's a bigger obstacle to the immigration of highly skilled men. There is more than indifference, there is, in some cases, active hostility, based on a fear of competition.
>
> According to the officially accepted estimate, Canada needs about 2,000 more doctors to provide adequate service by present methods. If we had health insurance on a national scale we'd need many more. In fact, one of the arguments against health insurance is that we've nowhere near enough doctors to carry it out.

And again:

> Doctor Hugh Keenleyside, the deputy minister in charge of immigration, said last spring, "The only trade union that has been adamant in its official opposition to the admission of competitive D.P.'s has been the medical profession".

And just a few more lines:

> We can't afford to keep skilled people out merely because they might compete with people already here. In fact, it's to the national interests that they should compete, the more effectively the better.
>
> The present is the greatest opportunity in one hundred years—since the revolutions of 1848—to enrich our nation with fine new blood. We're letting that opportunity slip.

I do not suppose that there is any member who rises to speak on the speech from the throne who does not say something about taxes. We all agree that reductions are overdue and that they will come from this government.

Mr. Fleming: Why did not the hon. member say that last year?

Mr. Croll: I said that last year. The hon. member did not listen. These reductions should be tailored to do the most good. I worked out a simple formula; it is so simple that if you do not like it, you can forget it. It is about as follows:

> For the labouring man—higher exemptions
>
> For the white collar worker and middle class—reductions
>
> For those in the high brackets—a kind word
>
> For corporations—not even that
>
> For all of us—some reduction in indirect taxes.

As I said, this can be easily forgotten if the minister does not like it, but it struck me as having some fairness. I should like to say something about international affairs.

We are singularly fortunate in having at the head of the department a gentleman who has gained his knowledge firsthand. In my opinion the minister is a believer, not in the British line, not in the United States line but in the Canadian line. That was illustrated by the stand taken by the government in connection with Israel.

Great Britain turned over the Palestine problem to the united nations. At that moment it became a Canadian concern, and the lion's share of the credit belongs to Canada for the fact that within eighteen months from the time that the united nations tackled the problem a fair settlement was arrived at. Today a democratic state is created, strong and free, and all that after twenty-five years of fruitless discord and strife. Under any circumstances, Mr. Speaker, the birth of a nation is a profound event, but in the case of Israel it is heavy with urgency, tragic with memories, historic in meaning such as to stir the heart of every man. So to the government of the day, and to the members of this House of Commons, on behalf of countless thousands of Canadians, and particularly on behalf of some 200,000 Canadians of Jewish origin, I can only say, thank you. Believe me, Mr. Speaker, I have waited a very long time to be able to say that, but I am glad that today it falls to my lot, and under such circumstances in this chamber.

Canada's first major incursion into the field of international affairs has been an outstanding success, and her second one, the North Atlantic security pact, augurs well to follow suit. We have come a very long way from the Imperial conferences of the twenties, when the theory was advanced that Canada was incapable of performing the necessary defensive and diplomatic functions. It took the first world war to prove to everyone that Canada was a nation. It took the second world war to prove to the world that Canada is a power. The people of this country have great confidence that this government will do everything within its power to see that there is no third world war.

In the speech from the throne, on page 3 of *Hansard*, the suggestion was made that there would be a royal commission on cultural matters. I put great stock in that, for reasons different perhaps from those of other people, because I think such a commission might well examine into the very soul of Canada as a nation. No people, no nation, yes, and no civilization, will endure without expressing its aspirations and its achievements in the arts, in painting and in music. Perhaps they can tell us what makes a Canadian. Perhaps they can tell us what keeps a Canadian in Canada, and how we can keep him here, because there has been a steady and relentless drain of young people from this country to the United States.

Writers have coined a phrase, absorptive capacity, to indicate the number that we can take in without upsetting the balance of our economy. We are far from reaching our absorptive capacity, but let us look at the other end of the scale. I think the time has come, and is overdue, for us to consider our evaporative capacity, the number of people a country can lose by emigration without upsetting the economy of the country. The two factors exist in this country in inverse ratio to each other; our absorptive capacity is high and our evaporative capacity is low. We can cure the one by immigration, but what about our evaporative capacity? I believe that the royal commission can be helpful in that respect, because one of the first reasons for evaporation of population is lack of economic opportunities for the young people of this country. No less is there a lack of cultural and intellectual opportunities which drives people of talent and people of skill elsewhere to find recognition, and an opportunity to develop their artistic and their cultural personalities. I think the role of an enlightened government could be well played in encouraging the arts and sciences, and the growth of a cultural heritage, for our cultural background in this country is as good as any in the hemisphere. We lack the financial resources that are available in the United States, which facilitate so much what we call the free enterprise culture of that country.

We have to make up for large audiences and capital with increased government interest and sponsorship of cultural affairs in general. I know that Canadians truly wish for a national library, a national theatre, national films, and, yes, for government-owned television, too, and more liberal support for the museums and art galleries. These things will do much to provide our young people of talent with openings to develop that talent which they are now compelled to seek outside our borders. I think the commission can be an effective means of checking the evaporation of population which we cannot afford in this country.

Let me speak of one other major problem, the matter of social services, a matter that is becoming not only urgent but of a demanding nature, and with particular reference to contributory old age pensions and national health insurance. We need in this country a system that will not only give, but permit, the average Canadian to pay for proper medical care. We need more doctors, and we need to locate them more evenly. We need more hospitals, and they should be within easy reach of every person in the country. These fine hospitals and excellent doctors are not of much use unless

the people can afford them. Health insurance in this country is not extravagant, nor is it back-door socialism; but if it is either it is still necessary, for today many people who need hospitalization, nursing, and medical care avoid it because they cannot pay for it. Health has become a matter of public concern. It is not a personal matter dependent upon the size of the individual's purse. The cost has to be spread across the whole country and medical aid should be available according to need rather than financial position. That is not true in Canada today.

I want to say something on dominion-provincial relations. It seems to me that provincial rights should not be associated with isolation, impoverishment or disregard of human rights. Prosperity is divisible and should be shared with all provinces. That is a provincial right and a provincial responsibility which should be wholeheartedly supported by every Canadian in every province.

I have kept silent on this question for a long time, but I feel the time has come when I must speak out. I feel that Ontario has been put in an unfavourable and ungenerous light. The people of Ontario want contributory old age pensions; they want health insurance; they want hospitalization; they want medical services, and they want them now more than ever before, because they see the benefits that have come from hospitalization to the people in Saskatchewan and to the people of British Columbia. Ontario, rich in money, rich in resources and rich in people, must realize that her prosperity depends upon the prosperity of the rest of Canada. It is undeniable that the western and the eastern provinces contribute to the welfare of the central provinces. We in Ontario have the wealth, and we tax it, and the social services in the other provinces must be provided for by people who are poorer. That is not the view of Ontario. That is the view of a political party in Ontario. These narrow views are narrowly held.

After listening to the Minister of Justice (Mr. Garson), when the double talk was washed aside, when the welter of contradictions was cleared away, when the tin soldiers were knocked down, one thing became crystal clear. It is not a question of provincial rights; it is not a question of centralization; it is not a question of a threat to confederation, nor is it a question of a threat to the constitution; it is, you pay my price or else. That is what it has been. It is very clear now that the proposition that Ontario wanted was not social security for Canada, but social security for Ontario which would perpetually foster inferiority in the other provinces; and so mischievous and so selfish was the proposition that even Duplessis saw the implication and could not stomach it. Therefore I say that Ontario must not, and Ontario will not, squeeze the rest of the provinces for the last dollar. Ontario's position is being misrepresented.

Mr. Skey: By you.

Mr. Croll: I know Ontario. My hon. friend says, by me. Certainly I am telling the country what I think Ontario's position is. I am in a position to speak for Ontario to the same extent as any hon. member over on the other side, because I know it as well as they do. It may be that some of my hon. friends across the way have become recent converts, but I say that from every aspect it was possible and was necessary that an agreement should be reached in order that we may have these things that I talk about, not only old age pensions and health insurance but public investment, in order that we may have a cushion against any possibilities that might arise in this country.

I went through the thirties, when it was necessary to come hat-in-hand asking for handouts in order to be in a position to look after the people who were unemployed. Now when we are attempting by public investment to build up a cushion, to have something ready, we find people standing in the way of it. I have been at dominion-provincial conferences. I know that a conference is a place of compromise. You cannot have your own way at them. You bring together people of different points of view, and in concert somehow or other a solution is found. When that happens the conference is a success; but reading the record and listening to the hon. member for Carleton (Mr. Drew) in this house, and the Minister of Justice, one finds the record reveals that the conference foundered on the inflexible and remorseless obstacle of the premier of Ontario. There was no will to make that conference work. There was a will, but that will was to impede and to destroy. The difficulty was that the premier of Ontario misunderstood, he was dealing with figures and statistics, but other people came here to deal with human beings.

As a result of what happened, the sick will have to wait until the votes are counted, but the leader of the opposition will have to answer for that in due time.

Mr. Drew: That is the most inaccurate of all the speeches.

Mr. Rodney Adamson (York West): Mr. Speaker, the speech from the throne is somewhat like a blind earthworm apparently going in different directions without any definite course and without any definite apparent reason. But, Mr. Speaker, like the

blind worm the speech from the throne has a very useful purpose. The ordinary earthworm has the business of aerating the soil. Without the earthworm the soil would grow sour and stagnate. Similarly, the speech from the throne gives an opportunity to all elected members to air their problems and their constituents' difficulties. It gives this house an opportunity to air the problems facing Canada today. Therefore it fulfils a useful purpose. To cut it short, or to cut it up into little bits, is akin to cutting an earthworm into little bits. Each bit has the power to wiggle but none has the power to do a useful job.

The other day I listened to an impassioned speech by the Prime Minister (Mr. St. Laurent). In that speech he accused the leader of the opposition (Mr. Drew). He felt very aggrieved about something that had been left out of a text. I heard the words "left out", "left out", over and over again. My mind went back to the time when those words were altered from the far more sinister words "kicked out", which were recorded and then altered on the printed pages of the *Hansard* of this house. It seemed to me, Mr. Speaker, that anyone who was as likely to alter the record himself to such a degree would, perhaps, be like the pot calling the kettle black in bringing up a matter of alterations. Referring to the field of histrionics, sometimes I wonder: "methinks the lady doth protest too much."

There was in the speech from the throne, Mr. Speaker, one phrase with which I wish to deal in some detail tonight. I shall read it to you.

> So long as trading and financial conditions remain unstable, a degree of control over foreign exchange will be required.

I believe that is a fundamental fallacy. The speech should have read, there will be no stability of foreign trade until a free exchange of currencies is permitted. Then, Mr. Speaker, we might be accomplishing something. If the government had indicated an intention of allowing the foreign exchange control board to lapse on March 31, as it would under the present statute, instead of actually wishing to continue it for two whole years, then we could have looked forward to a free trading position based on the soundness of individual and corporation trading, which is the only true lasting form of international trade.

I have been interested in the great credit the government has taken unto itself as a result of our export trade. I was interested in the figure of $3 billion worth of export trade last year. Unquestionably $3 billion is a lot of money for a country with only twelve to thirteen million people. Let us examine how this is made up.

First of all, I should like to mention the Marshall plan. I do this in some detail because the figures, so far as I know, have not been made public—at least they have not been given to this house. Up to the end of 1948, the total appropriation authorized under the Marshall plan—I shall not call it the ECA because the Marshall plan is the general name—was $4,229 million; the ocean freight was $347 million, leaving an authorized net of $3,881 million. I am omitting the hundreds of thousands although I have them here. Of that amount, the total offshore purchases amounted to $1,499 million, of which the Canadian portion was $593 million; that was to the end of 1948.

Since the beginning of April, 1948, when the plan began to be operative, to the end of January, 1949, the figures I have show that up to the 28th of January the total authorized was $4,072 million; the ocean freight was $356 million. The total offshore purchases were $1,596 million, of which the Canadian share was $650 million, leaving Canada's percentage of offshore purchases at approximately 40 per cent and Canada's percentage of the total aid at 16 per cent. The United States internal purchases came to $3,881 million, less $1,499 million, or $2,382 million.

I put those figures on the record, Mr. Speaker, to show that our treatment under the Marshall plan has been extremely fair. At this moment, I wish to give every credit to the executive of that fund for treating this country as fairly as they have.

I should like to break down the figures in regard to this Marshall aid a little further into percentages of the Canadian purchases. These percentages are reasonably accurate, approximately within one or two per cent. Fifty per cent plus, that is 50 or 51 per cent of the purchases, was for breadstuff grain; 10 per cent for other foodstuffs; 12 per cent for wood products, including paper; 4 per cent manufactured goods or products of industry; 23 per cent metals in the raw and base states and one per cent miscellaneous. From a cash point of view, $135 million was spent in Canada for base metals in the raw state.

Recently, Mr. Speaker, a number of commodities have been declared surplus in the United States. These commodities are as follows: oats, cotton, tobacco, peanuts, beans, flaxseed, linseed oil, oil cake, meal, and prunes. Many other items are on the list and they may be declared surplus within a short time.

The United States Act which makes the Marshall plan operative reads as follows:

> When agricultural commodities are surplus in the United States, they will be procured in the United States.

It is my opinion that is an eminently fair arrangement. Since the United States is putting up the money for the Marshall plan, it should decide where it is going to purchase the commodities. The percentage of United States purchases is therefore increasing while the Canadian percentage of purchases is remaining static. I put these figures on the record, Mr. Speaker, so that when we come to examine the export trade we shall see how Marshall aid affects the total and in what way.

Let us assume our export trade for the year 1948 was, in round figures, $3 billion. A breakdown of this into different types of trade shows something of this nature: Sixty-seven per cent for raw products, 7 per cent for ships and agricultural machinery, leaving 26 per cent for secondary manufactured goods which, exclusive of Marshall aid, leaves our exports at $3 billion, less $600 million or $2,400 million. Breaking this down into dollar value, we have $1,608 million for raw products; $168 million for ships and agricultural machinery; and $624 million for manufactured products.

It is these manufactured products which are so important to us at the present time. Manufactured goods are the stable export. I do not think I need to tell the Minister of Agriculture (Mr. Gardiner) what the fluctuations are in the prices of agricultural products. The other day I received a letter from a major exporter, and I will read just two paragraphs because I think they put the story on the record as well as can be done. The first paragraph reads as follows:

> Now it must be quite clear to our government that the export of agricultural produce and mined raw materials is always subject to fluctuations and consequently a most unstable kind of export. The anxiety of the Canadian government at the delay in the receipt of purchase orders for wheat, bacon, etc., from Britain shows how unstable these agricultural exports are, particularly in times when prices for agricultural products slump and countries such as the Argentine may be forced to throw their products at very low prices out to the world market in order to obtain the sorely needed dollar exchange.

In view of the news today from the Argentine, and the warning from the Bank of Canada, that statement is significant. The second paragraph reads:

> The history of the foreign trade of such classic exporting countries as Great Britain, Czechoslovakia, Germany, Switzerland, shows that a stable export business can only be created through the export of finished products, the products of the secondary industries, the products which bear special brands or names and which through these brands and their special features create and establish a definite demand in foreign markets. Canadian wheat, bacon and eggs, Canadian lumber, pulpwood, copper, nickel, have no brand and will never establish a stable market if price fluctuations should occur.

I think that shows how important are the 27 per cent of manufactured goods in our export trade. These are the goods which are finding it most difficult to obtain a market, because they must be paid for in American dollars. Canadian manufactured goods must be paid for in American dollars. That is a most extraordinary situation, and one that puts a crimp or an obstacle in the way of trade, which many manufacturers today are finding it almost impossible to overcome.

Before I go on I want to mention one of our major exports, newsprint. The figures that were given to me this very day show that Australia today is paying sixty-three pounds, Australian, per ton for newsprint whereas Canada could supply the same or better newsprint for forty-four pounds, Australian, per ton. Here we have newsprint, a major export of Canada, unable to be sold because of currency difficulties; unable to be sold to Australia because we are not playing with the same kind of chips. To tie the currency of this country to that of the United States and to channel and virtually to sterilize our currency is, I suggest, one of the most dangerous things that any government in any country could do.

I also received these figures with regard to newsprint. Our exports in the last year before the war came to 550,000 tons whereas our exports this last year were 400,000 tons, or a decrease of 150,000 tons; in our best and most stable single export we have a reduction of about 20 per cent from pre-war sales. I must say that the figures came to me as a surprise, but unless I hear otherwise I consider them to be quite accurate. Here we have a reduction in the sale of newsprint or in the export of newsprint; and if the Australian condition is symptomatic, the reduction can be based almost entirely on the inability of our purchasers abroad to find the currency with which to purchase our newsprint.

With unemployment growing in the Pacific province of British Columbia, with some 25,000 people out of work in the metropolitan Vancouver area, we shall pay a heavy price in unemployment alone for the lack of stable, long-term, continuing markets for paper and for other wood products. In this connection may I say, Mr. Speaker, that no manufacturer in any foreign country cares where the raw materials that go into his product come from. The Swiss manufacturer of electric motors does not care whether the copper for those electric motors comes from Canada or from Africa. All he cares about is that he gets his copper, and that he gets it at a price. In the same way, the Frenchman looking for a loaf of bread does not care whether the flour comes from our No. 1 northern hard wheat. Even though it is perhaps a better

flour, he does not care. All he cares about is that he gets a loaf of bread at a reasonable price. The raw material exports, which comprise 67 per cent or two-thirds of our total exports, are today in a most vulnerable position; and they are in that extremely vulnerable position almost entirely because of our currency situation with respect to the United States dollar.

I come now to another point. We who represent great industrial ridings have a responsibility to our constituents. That prime responsibility is to see that the wheels of industry are kept going. There is no panacea that will prevent unemployment and depression except that of a full weekly pay envelope. No scheme of social security, no promises of any kind under any circumstances, will take the place of happy, productive industry and a full pay envelope. It is a will-o'-the-wisp of the most dangerous sort to consider that any type of social security is in any way a substitute for industry operating at capacity.

I come again to Canadian exports cut off by the austerity program announced last year. At one time—and I give this purely as an example—we imported about $2,500,000 worth of Mexican tomatoes. Last year we put on an embargo against those imports; and I understand that Mexico followed suit and put on an embargo against certain Canadian manufactured goods.

Then these austerity duties were to a degree removed, but there was no quid pro quo with regard to our trade with Mexico. Their prohibitions still exist. The trade, which used to be fairly good and fairly useful, does not now exist. I feel that, while it is not the policy of the government, before this austerity program was taken off there should have been at least exploratory talks with Mexican authorities to see if a return in trade could not have been arranged.

Then, there is one other thing in connection with trade, and that is that a great deal of it is on a long-term loan basis. From 15 to 25 per cent of our total trade is on that basis. It would be a very sanguine man who would expect that these loans would be paid back in full, and with interest.

In this connection I should like to quote briefly from the observations of Mr. C. E. Gravel, president of the Banque Canadienne Nationale, who makes this significant comment:

> At first sight the situation and prospects of Canada's foreign trade appear to be satisfactory. But if the official figures are analysed it will be found that such progress is somewhat illusory. Besides ignoring the rise in prices, the statistics do not indicate that, since the end of hostilities, our exports have been, to the extent of 15 to 25 per cent, on the basis of long-term credits, the full repayment of which remains doubtful. What have the following years in store for us in this field?

With those sentiments I agree entirely.

Then, one other thing: until governments get out of the business of trying to conduct international trade, stability will not return. It is not the function of government by any stretch of—I was going to say anybody's imagination, but there are people who do imagine it is the function of government to act as a trading medium—I will say it is not the function of government to act as traders.

Trade was built in Canada by individuals, by firms, by these corporations which get so much abuse. And those corporations and individuals took the trouble to analyse the markets in which they were selling. They had the time and the ability to train personnel who knew what their markets wanted.

No government, no cabinet, no group of civil servants, no matter how expert, able and willing, can ever take the place of the individual who is studying the market for himself and, if I may be permitted to point out the one essential factor which is not understood by the socialists, using his own judgment and taking the risk.

Until we return to a basis whereby each individual trader carries out his own deal and arranges his own exchange through the once able facilities of the chartered banks, trade will be insecure. We shall not know from one month's end to the next what regulation, what government edict, or what prohibition will be enacted. That is the essential first step.

There is one further point I should like to mention with regard to a quid pro quo, and that is that we have been singularly generous throughout the world, but particularly so to the United Kingdom—and I believe in most instances, extremely justifiably so. But in the light of the difficulties we are having at the present time in obtaining stable markets for our raw materials in the United Kingdom, and finding the ability to purchase over there, it should be remembered, for instance, that we spent $14 million to provide aircraft on an interest-free loan for the British Overseas Airways Corporation. That may not seem a very great sum, but it is an example—and a high percentage of that was American dollars. This is $14 million for aircraft for an air line which will compete with our own, and it is given as an interest-free loan. It seems to me that if I were negotiating a loan I would have my minister of agriculture somewhere near, and I would perhaps say, "Let us see if we cannot sell some eggs for this" or "Let us see if we cannot sell some butter for this". Perhaps they did, but apparently not.

Mr. Rowe: They are not too good at that.

Mr. Adamson: I should like briefly to analyse our current situation. The Minister of Finance (Mr. Abbott) announced in the house the other day, with a degree of satisfaction, that our gold and United States dollars held at the present time amounted to $998 million.

Mr. Abbott: That was as of December 31.

Mr. Adamson: Yes, December 31. Are they up since then?

Mr. Abbott: They are not down.

Mr. Adamson: At the low point, which was December, 1947, just a few weeks after the austerity program was announced, the figure was $461 million. On those figures there would be a gain of $537 million in gold and hard currency. On the face of it that would seem to be satisfactory, but let us look at what happened in another period, a somewhat shorter period. We got Marshall aid for $600 million and we apparently—

Mr. Abbott: We did not get any Marshall aid.

Mr. Fulton: We certainly did.

Mr. Adamson: We got Marshall aid purchases.

Mr. Abbott: We got paid for $600 million worth of goods from Marshall aid funds.

Mr. Adamson: Six hundred million dollars.

Mr. Fulton: We got United States dollars.

Mr. Adamson: We got Marshall aid purchases; we got dollars; we got exactly $593 million.

Mr. Fulton: The minister should stop splitting hairs when he knows perfectly well what it means.

Mr. Abbott: Which is more than my hon. friend does.

Mr. Fulton: The minister is entitled to his own opinion, but I sometimes wonder who knows best.

Mr. Adamson: And then there was a United States loan of $150 million. On that basis we received $750 million in American dollars which could not under any circumstances be considered as a normal trade item.

Mr. Abbott: We loaned about $150 million.

Mr. Fulton: The minister should get up and make a statement about it some time and not leave us in the dark.

Mr. Adamson: That still leaves us with a much impaired position.

Mr. Abbott: A pretty good position.

[Mr. Rowe.]

An hon. Member: The minister does not like it.

Mr. Abbott: I will say he likes it.

Mr. Adamson: I do not know what the minister did with the $150 million he had left.

Mr. Abbott: It went to the United Kingdom and western Europe.

Mr. Adamson: You never can tell what happens. Even with the Marshall aid and the United States loan of $750 million and the gain of $537 million in our net hard currency and gold position we still show a deficit in normal trade, excluding Marshall aid, amounting to $213 million. If it had not been for the extreme generosity of the United States and the extraordinary contribution made by the European economic recovery program we would be in the hole to the extent of $213 million in our over all hard currency and gold position.

It should be remembered that the Marshall plan started in April, whereas the low point in our hard currency position was reached in December, 1947. Therefore if we were to take a figure on an annual basis it would be far worse.

We cannot count on Marshall aid continuously. As a matter of fact, Marshall aid will come to an end either next year or in 1951. I am not certain of the termination date or what will happen in Washington. Up to the end of January we received $650 million for offshore purchases for the European recovery program. To count that into our ordinary trading position and say that it is much better is a dangerous fallacy.

I want to take a brief look at our taxation and deal with the question of surpluses. The other day the minister mentioned that since the war we had reduced our funded debt by $900 million. That is a lot of money and perhaps that is good. But what about the surplus we had last year; what about the surplus we had the year before? Last year the surplus was approximately $600 million, and according to the usually accurate press it will be at least $700 million this year, possibly far more.

Mr. Abbott: Do not bet on that.

Mr. Adamson: I would not bet. Incidentally, I would not make betting a habit over there if I were the minister. Betting is one thing that I would eschew.

Mr. Rowe: Especially on by-elections.

Mr. Adamson: Anyway we have a $900 million retirement funded debt. Last year we had a surplus of $600 million and this year we shall have one of at least $700 million, or

perhaps more. That means that in the last two fiscal years we have had surpluses amounting to $1,300 million; yet we have reduced the funded debt, according to the minister's statement, by only $900 million. What on earth happened to the $400 million?

Mr. Rowe: Digby-Annapolis-Kings.

Mr. Adamson: They would not have spent $400 million in Digby-Annapolis-Kings. Notwithstanding what the minister said, I know he could not have done that. Apparently a lot of money has disappeared. Whether there is a pronounced boom along the south bank of the St. Lawrence in Nicolet-Yamaska halfway between Montreal and Quebec I do not know, but still they could not get away with $400 million on one or even two by-elections.

We have this position: We have had two enormous surpluses and according to the minister's own statement our funded debt has been reduced by only $900 million since the war.

Mr. Deputy Speaker: I must inform the non. member that his time is up.

Mr. Adamson: Thank you, Mr. Speaker, I shall finish with just two sentences. To continue controls in currency is like sliding down a greasy inclined plane into a crocodile pit. You hope the crocodiles will not eat you, but as far as recorded history goes anyone who has tried it has always been eaten by the crocodiles. That has been true from the days of Diocletian right up to the present time. I warn the minister that the economic crocodiles in the twentieth century are just as unpleasant as they were in Roman times.

Mr. H. E. Brunelle (Champlain): Mr. Speaker, the program of the government for this session as enunciated in the speech from the throne is one that will affect every Canadian citizen once it is in operation. In the first place, family allowances, which have already contributed so much to raising the standard of living of the mass of people, will be increased and therefore the allowances will render still greater service.

My constituency of Champlain alone received during the last twelve months the sum of $1,145,232. That will present the leader of the opposition (Mr. Drew) with occasion for additional scorn for the baby bonus as a measure of iniquity and as an instrument of bribe, to use his own expressions.

On the other hand, I am glad that the income tax will be reduced. I hope that it will be considerably reduced, and the sooner the budget is brought down the better for all concerned. A great part of the national debt is made up of the cost of the last two wars. Those wars were fought, and the expenditures for them were incurred, for future generations as much as for the present generation, and although it is rather elementary, I submit that future generations should be called upon to pay their full share of those expenditures.

There are vast projects in the speech from the throne which will have a definite bearing on the future welfare and development of our country. For example, there is the St. Lawrence deep waterway, which will give employment to thousands and thousands of people not only during the time of construction but afterwards. It will provide more electrical power, which will mean more plants, more manufacturing, more industries in our country, and in turn more work for our industrial workers.

Besides the Trans-Canada highway, there is the all-important question of the entry of Newfoundland as a tenth province in our Canadian confederation. Situated as it is at the gateway of our country, this new province will be of great advantage to us. Some people look upon such national projects from the point of view of the duration of a man's life, whereas a nation's life should be considered in terms of centuries. Some will judge the new project in terms of dollars and cents. Some are saying that Canada is paying too much in this deal. I wish to remind those who have that view that in 1867, when the United States purchased from Russia the vast land of Alaska for $7,200,000, certain people thought that the United States was paying too much for that new land. That is less than one hundred years ago, but I wonder who would say now that the United States paid too much to acquire Alaska as a part of their territories.

I am glad the government is anxious as always to protect the farmers by finding new markets for agricultural products. Farmers are entitled to the continuous protection of governments owing to the fact that when it comes to organizing their forces they must meet almost insurmountable difficulties on account of the size of our country, and the varying geographical conditions. I regret that the dairy industry must now face the competition of margarine. I wish to remind everyone—and there are some in my province who do not seem to realize it yet—that for over fifty years the federal government protected the farmers by prohibiting the sale, manufacture and importation of margarine. It is only recently that our highest court has declared unconstitutional the federal law which banned margarine from our country. In declaring the federal law unconstitutional our highest court has followed the plea and recommendation of Mr. Beaulieu, solicitor for the Union Nationale government, who pretended that the federal law was unconstitutional, and that the regulation, manufacture

and sale of margarine should be handled by the provinces. Mr. Beaulieu won the case for L'Union Nationale government, and also won margarine. The provinces will now have to look after the question of the regulation, manufacture, and sale of margarine, and while I hate to think it, I feel certain that margarine is now in Canada to stay.

I am glad to know that the Liberal program of social security and national services is being rapidly carried out by our able and aggressive Minister of National Health and Welfare (Mr. Martin). The 1948 plan for spending $150 million in five years is being effectively implemented, and a sum of nearly $4 million has been granted to the province of Quebec during the last four months. In my city of Cap de la Madeleine there is need for a hospital. The need has been recognized and this government is offering to give a minimum of $1,000 per bed. Therefore, if the hospital is built and has 250 rooms, this government is offering and is willing to pay the respectable sum of $250,000. The poor people of Canada will naturally profit by the generosity of the government in making these grants to improve the national health of our country.

The question of rent control is a matter which was taken over by this government during the war, and has been administered by it since the war. It is a provincial matter. The government, as in all other matters, is willing to allow the provincial governments to resume the exercise of their rights. Apparently those who form the government of my province, and the premier of my province, who usually has so much to say about provincial rights and autonomy, have not decided yet to do anything to regain the control of rents, although it is a provincial matter. If I had my way I would hand over rent control to that particular province, no matter what happened.

I take this opportunity, Mr. Speaker, to say that I have always been desirous of respecting the rights and prerogatives of the provinces, and I am sure that every hon. member is anxious to respect those rights. I said "every hon. member." I hope I am right. Yet, speeches replete with hypocrisy, half-truths and plain falsehoods are being inflicted upon us by those so-called autonomists and opportunists of the day. They persist in saying to whoever will listen to them that the present federal government has been and is still invading provincial rights. That is not so. Let those who say this name one such invasion of provincial rights that has been made since the war. Be that as it may, there is real confusion in the minds of the people as to the respective rights of this government and of the provinces in certain matters, and this government is the victim of the confusion.

Last week the leader of the Conservative party (Mr. Drew) gave us a striking example of his supreme desire to keep up that confusion, hoping to draw from it some political advantage that somebody else has already drawn. For nearly two hours he tried to show one aspect of his mind in the matter of provincial-federal matters, and I now beg leave to show as best I can the other aspect of the hon. gentleman. I listened attentively to him and I came to the conclusion that he had fairly well played his very bad part in the first scene to which the speech from the throne gives rise. May I first say that frankness, dignity and self-respect will always win the general esteem of one's fellow man. On the other hand, to be false, to be arrogant and to be mean is fatal. I do not wish it said or thought that for one reason or another I exaggerate when I say that the leader of this government, the Prime Minister (Mr. St. Laurent), enjoys the enviable reputation of being straightforward, humble, fair-minded and dignified. That applies to him in private as well as in public life.

The leader of the opposition, in his long speech last week, hardly touched upon any of the paragraphs of the speech from the throne. That was his business, and I have nothing to say about that. He chose to speak for over two hours on provincial-federal relations, placing great emphasis on his respect for provincial rights and on his great consideration for the prerogatives of the inhabitants of Quebec. I shall check that in a moment. In fact he laid what he considered to be a safe foundation for posing later as a friend and defender of the rights and prerogatives of myself and of my fellow men in Quebec. This is the impression he gave everybody when he spoke for over two hours last week. The leader of the C.C.F. party (Mr. Coldwell) noticed it and referred to it in his speech. Again I say that was the business of the leader of the Conservative opposition, but it is also mine and I wish to say something about it. The trick was childish and manifest, but as it took the form of an offer of sympathy it became insulting, in view of what he would naturally expect in return.

When one can find motives in a man's words or actions it is easy to interpret those words and actions with accuracy, and I may say that sympathy which has its source in personal interest is of rather doubtful value. In recent years it has pained me to become aware of the inner sentiments of the leader of the opposition with regard to the people of my province. Of late, and last week in particular, a noticeable change was shown for the better, probably as a consequence of some instinctive need of sympathy. I speak

in the name of my constituency, where the people are no different from the rest of the province of Quebec.

In Quebec, Mr. Speaker, we are all jealous of our rights and prerogatives, and we are all firmly opposed to a legislative union or to a central form of government in this country. I can say that I am just as firmly opposed to a legislative union as the premier of Quebec is himself, and I am sure that everybody in this house is just as opposed to a legislative union as is Mr. Duplessis. When the leader of the opposition last week expressed his own opposition to a legislative union, or to a form of one government only for our country, and when he gave, as an example of the demerits of an act of union, the Act of Union of 1840, I wish to say that he forgot to mention the fact that the Act of Union of 1840 was brought about against the will of the people of Quebec by a hostile group who wanted to drown us, and who wanted to quickly assimilate us. When the leader of the opposition said that he was opposed to such a legislative union I did not believe him because on other occasions, when he was free to speak his true mind, he said he was in favour of a different system. In order, as he says, to make the record clear, I wish to quote what he said, and until I indicate that my quotation is ended I shall be quoting from the Toronto *Globe and Mail.*

Mr. Sinclair: A great paper!

Mr. Gibson (Comox-Alberni): Not accurate, but fulsome.

Mr. Brunelle: On the 10th of November, 1936, addressing the board of trade of Toronto, the present leader of the opposition (Mr. Drew) said:

> Canada must eliminate the costly inefficiency of ten governments doing, in most cases, the job of one, or else sink in the rising tide of fascism.
>
> We must decide whether we are one nation or nine.

As for Canada, according to the Toronto *Star,* February 23, 1935:

> Harassed by debts, labour troubles, and conflict in company, insurance and labour laws, Col. Drew saw in one strong central government the solution instead of an utterly mad jigsaw puzzle of ten conflicting governments.

Note this well.

> If we were starting all over again, said Mr. Drew, who would be crazy enough to set up ten governments in Canada?

I believe the hon. member tried to give a different impression in the house the other day. By the way, it seems the present leader of the opposition resembles the late Lord Bennett in some ways, particularly in that he has all his faults. He seems to believe in concessions to be made to us. He seems to believe also in the great principle of a French minister who once said:

> La parole a été donnée à l'homme pour cacher sa pensée.

I might translate that in this way:

> The faculty of speech has been given to man so that he may more easily conceal his thoughts.

May I return to the question of concessions? We, in the province of Quebec, want no privileges. Once more, I should like to make it plain we do not beg for concessions; we only want the respect of our rights and prerogatives. The word "concession" is humiliating.

On the Plains of Abraham in 1759, when the French army was defeated, my forefathers were not disgraced nor dishonoured. The general of the English army, Wolfe, and the general of the French army, Montcalm, both died gloriously on the battlefield. Afterwards, a treaty was signed. Those who stayed in Canada after both armies had left became simply Canadians, irrespective of names, religion or language. Later difficulties came up, but no difficulty was found insurmountable. There were cases of conflict, but I say that the feelings of the descendants of those who lost the battle of the Plains of Abraham are cruelly hurt when someone holding a high position in our country tells them they are only a vanquished race and should be content with whatever concessions the victors condescend to give. I say that if anyone is guilty of that baseness he is marked by the people of the province of Quebec.

In our province, Mr. Speaker, I can say we are proud of our survival. Our feelings are more easily hurt because we are a minority with distinct but nonetheless respectable characteristics. In response to the implied, heartfelt offer of sympathy of the leader of the Tory party in this house, I simply say, "no", and I hope each one of my people will answer with a resounding "no", which will be heard in every part of Canada. Is anyone surprised at my assertion? If anyone is I wish to tell him I have just used the very words the leader of the opposition himself used in Ontario not very long ago when he was trying to stir up the feelings of the people of that province against the people of the province of Quebec.

In order to keep the record straight, I shall give you another quotation. When the leader of the opposition made the statement to which I have just referred he was speaking about family allowances. Referring to the *Globe and Mail* of August 10, 1944, I find he is reported to have said:

> But I assure you that the government of Ontario intends to do everything within its power to make

sure that this iniquitous bill does not go into effect. It is not this bill alone, but the whole principle involved which we intend to resist.

That is a statement by Premier Drew, now leader of the opposition. According to the Toronto *Star* of August 10, 1944, he also said:

Are we going to permit the isolationist province of Quebec to dominate the destiny of a divided Canada? I hope that each one of you will answer with a resounding "no", which will be heard in every part of the province of Quebec.

Mr. Cruickshank: Is that the same man who is now leader of the opposition?

Mr. Brunelle: Yes. I do not wish to be an easy dupe, Mr. Speaker, and I am sure the people of my province are of the same mind.

To substantiate my reaction against intolerance, against arrogance, against concessions and other humiliations which always seem to come from the same class of people, I wish to call as a witness one who knew the Tories well because he was one of them. I wish to quote from a speech which was made, not years ago but during the last parliament, by Mr. J. S. Roy, who then represented the constituency of Gaspe. This speech was made on the 4th of November, 1941, and until I indicate that the quotation is ended, I am quoting from the 1941 *Hansard*, page 4058:

Mr. Speaker, I rise on a question of privilege in order to make a statement with regard to my change of seat in this house. I am sure the house will be interested to know why I intend to follow hereafter an independent course in this parliament.

A political party is usually composed of men with the same principles, and among whom there is some friendship or brotherly spirit.

I omit a long paragraph and commence about the middle of the page.

The bonne entente between the two main elements of the Liberal-Conservative party gradually deteriorated. As time went on, French Canadian influence dwindled in the party. This was largely due to the demise of Sir John A. Macdonald. The Liberal party was strongly organized, and it manoeuvred the Conservative party into becoming an English Canadian party in which French Canadian sympathy was forcibly thrown into the background. The present Minister of Justice (Mr. Lapointe) cleverly followed Sir Wilfrid's tactics, and the present Prime Minister (Mr. Mackenzie King) is using the Minister of Justice for all he is worth. Sir Robert Borden and Mr. Meighen were never able to control the element which is bent on wrecking our efforts to make Canada a country in which three million French Canadians will be considered. Mr. Bennett, now Lord Bennett, was the man who said we ought to be pleased with the concessions granted to us by English-speaking Canadians. He went back on the principles of the party which had put him in power, and did more than all the Liberals put together to shake public confidence in political conservatism.

Any French-Canadian member of this house who has mixed with the Conservative party as it now exists must realize that he is not a member of their political family. He is at best a tolerated stranger, accepted from necessity and looked at with a certain degree of curiosity. In the opinion of Conservative members he is and always will be a poor relation. His views of Canada are not their views; his ambition for more French-Canadian influence in our public life is not their ambition. They are firm in the opinion that we French Canadians are a source of trouble in their endeavours to make Canada an American England. There is no friendship or sympathy between them and us. I may add, however, that a good proportion of English-speaking Canadians, particularly the young generation, show us more sympathy, because they have a real sense of true Canadianism.

I have decided to leave them, and I did not do so hastily. For the past few months I have been in consultation with people in Quebec who all expressed the opinion that it is useless for the province of Quebec to make any further attempts to work hand in hand with the Conservative party. Warm sympathy, the main element, is lacking. You all remember the story of the man who called upon an acquaintance. He was first told that the man was not at home; he then forced the door, but he was received with a heap of abuse. He went a third time, when he was taken by the sheriff by the scruff of the neck and kicked down the verandah. He then said, "Well, I don't think that man wants to see me." Take out the violence and I think you will see there is something like that in the attitude of the Conservative organizers toward Quebec Conservatives.

I had intended to end my speech here—

Mr. Hackett: Your speech?

Mr. Brunelle: That is the end of the quotation.

Mr. Hackett: Yes; you mean that is the end of the quotation.

Mr. Brunelle: Apparently the hon. member for Stanstead (Mr. Hackett) was not here when I used a celebrated phrase of the hon. leader of the opposition in the matter of making quotations.

Mr. Hackett: Yes, I was here; and I thought it highly original on the hon. member's part.

(*Translation*):

Mr. Brunelle: Mr. Speaker, before resuming my seat, I shall add a few words in French. I want it understood that what I have just said in this house was devoid of any animosity whatever.

Mr. Hackett: No, it was all perfectly friendly!

Mr. Brunelle: I do not wish to offend anyone. If I have told truths which might have offended some, it must not be forgotten that they were taken from statements made in the house by the Progressive Conservative leader himself or by the former member for Gaspé.

The main object of my remarks was to be of some service to the youth of Canada.

Some hon. Members: Hear! hear!

Mr. Brunelle: I wish to prevent it from committing a fatal error.

I have tried to make our young people—gifted, ambitious, brilliant and truly capable of filling the highest posts in the public, polit-

ical or social spheres—realize that the fact of being intolerant and arrogant may bar them from the high offices they seek to attain.

Our great statesmen, Sir John A. Macdonald, Sir Wilfrid Laurier and the Right Hon. Mackenzie King, remained at the helm for so long because they were, above all, human, and never hurt the feelings of either of our great racial groups.

The Prime Minister of Canada (Mr. St. Laurent), the leader whom I have the honour to serve, follows in the footsteps of these great men. Now 67 years of age, Mr. St. Laurent has never hurt the feelings of anyone in this country. A true Canadian, proud of his origin, he is deeply respectful of those of others and frankly prepared to walk hand in hand with all men of good will. For these reasons, the Canadian people from coast to coast will place their trust in him.

(*Text*):

On motion of Mr. Weir, the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall continue this debate.

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

HOUSE OF COMMONS

Friday, February 4, 1949

The house met at three o'clock.

INCOME TAX

COMMUNICATION OF INFORMATION TO THE SENATE OR HOUSE OF COMMONS

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 10, to amend the Income Tax Act.

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker, this bill would add to section 121 of the new Income Tax Act the following words which are underlined in the bill:

Provided that nothing in this section shall operate to prevent a minister of the crown from communicating to the Senate or to the House of Commons any information with respect to corporations obtained under the provisions of this act.

The purpose of this amendment is to remove in part the restrictions as to secrecy imposed by section 121 of the Income Tax Act, which as it stands at present can have the effect of preventing a minister of the crown from giving the Senate or the House such information as it might be perfectly legitimate to ask for and obtain. No change is made by this bill in the matter of information obtained from personal income tax returns. Such information must still be kept secret. I may say that in this particular the bill is different from the one which I introduced last year and to which some objection was taken. On the other hand, this amendment would make it possible to make public any information respecting corporations obtained by the income tax division of the Department of National Revenue.

Motion agreed to and bill read the first time.

CANADIAN COMMERCIAL CORPORATION

ADVANCES BY WAY OF LOAN—EXTENSION OF LIFE OF THE CORPORATION

Right Hon. L. S. St. Laurent (for the Minister of Trade and Commerce) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to amend the Canadian Commercial Corporation Act to provide authority for advances to the corporation by way of loan out of the consolidated revenue fund and to extend the time of operation of the act.

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

Motion agreed to.

STATUTE LAW AMENDMENT

AMENDMENTS TO IMPLEMENT TERMS OF UNION OF NEWFOUNDLAND WITH CANADA

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to amend several statutes to make them applicable to or otherwise conform with the Canadian confederation as and when Newfoundland becomes a province of Canada.

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

Motion agreed to.

HOUSE OF COMMONS

BUSINESS OF THE HOUSE—QUESTIONS AND NOTICES OF MOTIONS FOR PRODUCTION OF PAPERS

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): May I ask the Prime Minister when provision will be made for answering the sixty-nine questions now on the order paper, and for dealing with notices of motion for production of papers?

Right Hon. L. S. St. Laurent (Prime Minister): I shall be glad to take the question of the leader of the opposition as notice. I will discuss the matter with my colleagues and give an answer at the earliest opportunity.

REVISION OF STANDING ORDERS—RECOMMENDATIONS OF SPECIAL COMMITTEE OF LAST SESSION

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Prime Minister? Has the government given consideration to recommending to the house the adoption of any of the proposed changes in standing orders that were recommended to the house last session by a committee of which Your Honour was chairman, and the report of which, as the Prime Minister will recall, was unanimous?

Inquiries of the Ministry

Right Hon. L. S. St. Laurent (Prime Minister): The government has been discussing the recommendations that were made by that committee, but feels that there should be informal discussions with the various groups in the house before deciding whether or not they should be brought forward during this session. It is a matter which does, of course, affect the way in which government business can be dealt with in the house, but primarily it affects the rights and privileges of members of the house. Therefore the government would not be disposed to recommend these modifications unless, after informal discussions, it appeared to be the desire of a large number of members of the house that an opportunity be afforded to discuss them.

Mr. Donald M. Fleming (Eglinton): May I ask the Prime Minister if any opportunity will be given to try out at this session, on an experimental basis, a change in the hours of sitting of the house by advancing the time of the sitting by, say, an hour?

Mr. St. Laurent: If I remember correctly that was one of the recommendations, and naturally it will be considered when the recommendations are before the house, if it is found desirable to bring them before the house.

BRITISH NORTH AMERICA ACT

PROCEDURE IN AMENDMENT—REFERENCE TO RADIO BROADCAST BY PRIME MINISTER

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, there is a matter which I suggest does require that some information be given to the house, in view of other proceedings which will be taking place. In a radio speech last night the Prime Minister said, in part:

> You all know that the terms of confederation are set out in the British North America Act. That act is the foundation of the Canadian union. The British North America Act is a most important part of the Canadian constitution. But it is also a statute of the British parliament. Every time we Canadians want any change made in the British North America Act we have to go through the form of getting the change made by the parliament of the United Kingdom. As a Canadian I do not like to have to do that. What is more, I feel sure, the United Kingdom parliament does not like it either. I believe we Canadians should work out a method of making our constitutional changes right here in Canada.

In view of the fact that certain matters are before the house which may well raise a question as to the necessity of amendment of the British North America Act, I believe the house should be informed this afternoon whether it is the intention of the government to take proceedings which would have the result of empowering the parliament of Canada to change our constitution, and if so, whether that is to be done without consulting the provincial governments.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, no one could contemplate anything of that kind without consulting the provincial governments. As the leader of the opposition knows, there was a consultation with the provincial governments ten or twelve years ago, perhaps more than that. The negotiations reached a stage where it was required to have the provincial governments consider the situation as it had developed throughout the conference. While that consideration was being given by some of the provincial governments, there was a provincial election in my province which brought about a change in government, and the matter dropped. The procedure which I believe would be required to deal with a question of the kind would be similar to that which was followed at that time, some twelve or fourteen years ago.

Mr. Drew: May we take it, then, that it is not the intention of the government to deal with this subject during the current session?

Mr. St. Laurent: Oh, no. I do not think it would be possible to complete the preliminary negotiations which would be required to give to this matter the serious consideration it deserves, in time to enable us to have anything for parliament to consider at this session. It is probably one of the most serious steps since confederation for the people of Canada to contemplate. I think it would be desirable, if we can find a method that would satisfy the two requirements I mentioned in my radio broadcast last night, to have the power to deal with constitutional amendments here. But I pointed out that on the one hand we would not want a constitution so rigid that it would be a strait-jacket on the Canadian people and prevent the proper development of our national personality, and on the other hand there would have to be the most positive safeguard for all the historic rights which are to a certain extent safeguarded by the act as it exists at present.

Mr. Coldwell: I was going to ask the same question.

BERLIN

PARTICIPATION BY CANADA IN MAINTENANCE OF AIR OPERATIONS

On the orders of the day:

Mr. T. L. Church (Broadview): I am not taking any part in the debate on the address in reply to the speech from the throne, but I want to direct a question to the Secretary of State for External Affairs. I understood him to say that Canada has taken no part in the maintenance of air supremacy at Berlin

because it was not invited to do so. As I understand it, the government is not taking any part, although the Canadian Legion have asked the government to do so. As I see it, if the west is driven out of Berlin—

Mr. Speaker: Order.

Mr. Church:—we will lose supremacy of the seas. Is the minister prepared to make a statement on the question?

Hon. L. B. Pearson (Secretary of State for External Affairs): I am not quite sure whether I understood the exact purport of the hon. gentleman's question. I should like to answer it, but I would wish to answer it correctly. I think I had better wait until I see it in *Hansard* and answer it at the first available opportunity.

PASSPORTS

PRECAUTIONS AGAINST IMPROPER USE—RENEWALS

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): In view of recent press reports indicating that there is racketeering in and fraudulent use of passports, can the Secretary of State for External Affairs make a statement as to what steps his department is taking to guard against the improper use of Canadian passports?

Hon L. B. Pearson (Secretary of State for External Affairs): The hon. member was good enough to advise me of his intention to ask this question. I have been able to get some information bearing on the point which he has raised. The inquiries I have been able to make—they have not yet been exhaustive—do not bear out the suggestion that there has been extensive racketeering in Canadian passports. The present procedure is that an applicant for a Canadian passport is required to complete an application form which contains information as to his name in full, occupation, place of residence, and citizenship. He also gives such physical description as will reasonably ensure his identification. A photograph of the applicant is attached to the application form. Attached to the form also is a declaration to be completed by one of a number of classes of persons who may themselves readily be identified in the community. The person who makes this declaration must certify that he has known the applicant, and must identify the photograph. Heavy penalties are provided by law in the case of a person who misrepresents or conceals the facts in making application for a passport, or who falsely represents himself to be a Canadian.

No indication of any widespread impropriety in the use of Canadian passports has been revealed. Nevertheless the officers of my department are constantly on the alert for abuses, and are taking the necessary corrective or precautionary measures.

Mr. G. K. Fraser (Peterborough West): I should like to follow up that question by asking the minister another. Why is it that since January 1 no renewals have been allowed, that those applying for renewals have had to take out new passports?

Mr. Pearson: I cannot give the answer to that question at the moment, but I shall get the information and give it to the hon. member later.

OLEOMARGARINE

QUESTION AS TO PROTECTION OF CONSUMERS

On the orders of the day:

Mr. E. G. McCullough (Assiniboia): Is the government taking any steps under the pure food laws to protect consumers from fraud through the unrestricted sale of margarine?

Hon. Paul Martin (Minister of National Health and Welfare): The answer is yes.

Mr. Knowles: Explain.

Mr. McCullough (Assiniboia): If I may ask a further question, will the minister tell the house what steps are being taken?

Mr. Martin: Under the authority of the Food and Drugs Act the officials of the Department of National Health and Welfare, in the food and drugs division, are watching this product, and all others offered for sale to the consuming public, to make sure that no substance or product is offered which is injurious to health.

ALBERTA LIBERALS

REFERENCE TO PRESS REPORT OF STATEMENT OF MR. WINTERS

On the orders of the day:

Mr. Robert Fair (Battle River): I should like to direct a question to the Minister of Reconstruction and Supply (Mr. Winters), based on an article which appeared in the press yesterday, coming from the Canadian Press, under date of February 2, and emanating from Calgary. The article reads in part as follows:

In an address before more than two hundred delegates attending the annual convention of the Alberta Liberal Association, Mr. Winters said—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member knows it is against the rules to read from newspaper clippings when asking questions on the orders of the day. He should not give information to the house; he should ask for information.

Inquiries of the Ministry

Mr. Fair: Then I need not quote the article, but in effect the minister stated that at least seventy-five per cent of the people of Canada are Liberals at heart.

Some hon. Members: Hear, hear.

Mr. Fair: Then he went on to say, "They are ours for the asking; let's go out and get them." Based on that, I wonder if the minister would care to venture a guess as to what will be the success of his party in the province of Alberta at the next election.

Hon. Robert H. Winters (Minister of Reconstruction and Supply): After visiting that convention, Mr. Speaker, I feel that I was a little modest in my estimate.

HOUSING

STATEMENT AS TO COMPLETION OF PROJECT IN ALBERTA

On the orders of the day:

Hon. Robert H. Winters (Minister of Reconstruction and Supply): I should like to reply to a question asked on Monday last by the hon. member for Bow River (Mr. Johnston), as to the steps being taken to see that the houses of the Bow River Construction Company at Calgary are completed.

The answer is that although the lending institution and Central Mortgage and Housing Corporation are mortgagees only and are not parties to the contractual relationship between the builder and the veteran, every effort has been made to find a solution which will allow this project, now in default, to proceed. In the case of owners in possession, an offer has been made to increase the mortgages so that they may pay the liens and complete the houses. Where veterans take advantage of this offer it should be possible to effect a satisfactory solution. For those not yet in possession because the houses are incomplete, the lending institution has offered to buy the purchasers' equity.

Although the houses cannot be completed until financial arrangements are made by the purchasers, every effort is being made to find a way to bring the project to completion.

Mr. A. L. Smith (Calgary West): If I may ask the minister a supplementary question, I should like to know who appointed the contractor and what inquiry was made with respect to his ability, either by practice or his financial position, to carry out the project?

Mr. Winters: I believe a similar question is on the order paper; at any rate I will take this as notice.

Mr. Smith (Calgary West): Can the minister not tell me now?

[Mr. Speaker.]

PRIZE MONEY

DISTRIBUTION BETWEEN NAVY AND AIR FORCE

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Will the Minister of National Defence, either now or at an early date, make a statement as to the distribution of the $3,000,000 in prize money resulting from the disposition of enemy vessels captured by the navy during the war? I may say I have information that there are a number of complaints with regard to—

Some hon. Members: Order.

Hon. Brooke Claxton (Minister of National Defence): I can answer the hon. member by saying the government has decided to bring before parliament a measure to provide for the distribution of prize money received from the pool of prize money obtained from the capture of enemy ships by the nations of the British commonwealth. The share of the total pool which will be received by Canada and payable in Canada will be divided in the proportion of 68 per cent to the navy, and 32 per cent to the air force, which, as hon. members know, participated in the destruction of many enemy ships. The exact form of the measure to be brought before parliament has not yet been determined, because this decision has just been arrived at; but it will provide for the payment of the sums of money to the Royal Canadian naval benevolent fund, in respect of the navy's share, and to the Royal Canadian Air Force benevolent fund in respect of the air force's share.

Some hon. Members: Where does the army come in?

Mr. Claxton: The army did not share in the destruction of any ships at sea that we know of; their work was on land.

Mr. G. R. Pearkes (Nanaimo): Will the minister consider making a contribution from this money to the army benevolent fund, because of the fact that the army captured many of the bases and airfields from which the air force and the navy were able to operate?

Mr. Claxton: No, Mr. Speaker; no such consideration will be given.

COARSE GRAINS

QUESTION AS TO MEASURE FOR MARKETING BY WHEAT BOARD

On the orders of the day:

Mr. Ronald Moore (Churchill): I should like to direct a question to the Minister of Trade and Commerce or his parliamentary assistant. In view of the fact that the government passed legislation in 1948 to provide for the marketing of coarse grains through the wheat board,

is the minister in a position to say whether the government intends to proclaim this legislation in 1949?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): This question involves a pronouncement of government policy, and I am afraid I shall have to leave it for the minister.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Thursday, February 3, consideration of the motion of Mr. D. F. Brown for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, my first words in this debate, indeed my first words in any debate in this house, must be those of appreciation for the privilege of representing the riding of Algoma East. In this riding live friendly and industrious people. It is a riding of great undeveloped resources, of beauty of lake and stream and mountain, which makes it a tourist's paradise. I have been given a very difficult task in succeeding, as member for Algoma East, a man who has now been translated to another place and who held for so long the confidence of his constituents. I shall do my best, Mr. Speaker, to follow his example, both in service to his constituents and in his ability to sit here for so long a time. I already realize there is a connection between those two things.

I should also like to add my very warm congratulations to those that have gone before, to the mover and seconder of the address in reply to the speech from the throne. I assume there will be a debate on external policy later in this session and possibly a debate devoted more particularly to the ratification of the North Atlantic pact. Much, therefore, of what I should like to say in regard to external affairs generally will have to be reserved for those occasions. Today, I should like to attempt to do two things. In the first place, I should like to deal with some of the points that have been raised in this debate concerning international matters. Secondly, I should like to make a few general observations on the international picture with particular reference to communism and the proposed Atlantic pact, both of which are mentioned in the speech from the throne.

The hon. member for Peace River (Mr. Low) in his speech suggested, if I correctly understood him, that it was a mistake for Canada to become a member of the United Nations, and that the reference in the speech from the throne to the Atlantic pact constituted an admission by the government of this error in judgment. If I interpret him correctly, he seems to think that the weakness of the United Nations is due to some fault in its structure, and that the members of his group discerned the inadequacy of the United Nations when the charter was signed. No one claims or has ever claimed, Mr. Speaker, that the United Nations charter is a perfect document.

On many occasions this government has expressed the hope that the United Nations will be improved in many respects. The basic difficulty, however, which the United Nations encounters at the moment is not constitutional but political. The unsolved problems which divide the soviet union from the rest of the world today make it impossible, under the present circumstances, for the organization to fulfil all the purposes, or indeed most of the purposes, for which it was designed. It is precisely for this reason that the government is now giving its support to the discussions which are taking place in regard to the North Atlantic pact. By that fact we do not, however, admit that we were wrong in signing the United Nations charter in 1945 or that we are wrong in supporting the United Nations in 1949.

The hon. member for Peace River raised certain other points to which I may just refer, though I am afraid I cannot deal with them in detail. He stated that the unfortunate situation in Berlin, at the present time blockaded, with no corridor leading to the west, could not have been the result of stupidity some years ago, but he suggested it might have been, in part at least, due to the influence of perfidious civil servants. I think those were the words he used. These civil servants, he implied, may have been responsible at that time for keeping Great Britain and the United States out of Berlin and permitting the Russians to enter ahead of them before the end of the war. It has been pointed out on numerous occasions, Mr. Speaker, that that particular decision which resulted in the occupation of Berlin by the soviet union was made not by civil servants, perfidious or otherwise, but by the supreme commander himself, General Eisenhower.

The hon. member also referred somewhat critically to his experience in Germany when he witnessed the dismantling of a steel plant which was going to Yugoslavia. The house will recognize of course that, since Canada is not an occupying power in Germany, we are not directly concerned with these matters which fall within the province of Great Britain, France and the United States. I believe the hon. member said this was a matter about which I should be informing

myself and, therefore, I should like merely to tell him that, in my opinion, this might well have been a legitimate procedure because reparations from Germany were worked out at an international conference at which an overriding agency was set up on reparations to be levied on Germany. These reparations were to be divided by percentages among the eighteen active belligerents. These belligerents were entitled to take their share, and no doubt this was part of Yugoslavia's share, Yugoslavia having been a devastated country.

The hon. member then referred to the question of steel scrap in the Ruhr valley and the many millions of tons which were lying there idle. He believed that steps should be taken to get it out of Germany. Such steps are being taken. I believe the day before he arrived in Germany, early in October, an agreement had been reached between the United Kingdom and the United States by which 500,000 tons of this scrap was to be sent to each of those countries, and 225,000 tons to the other countries. It is hoped that within the present year more than two million tons of this scrap will have left Germany. Indeed, it is hoped some of it will come to Canada.

The hon. member for Vancouver South (Mr. Green) asked if we could state the views of the government on the situation in the Pacific. He believed the House of Commons was entitled to have those views at a time when we were talking so much about the Atlantic. I would remind the house that last year in the discussion on external affairs there was a very complete statement by the then Secretary of State for External Affairs (Mr. St. Laurent). At that time, he dealt with the Pacific, and I hope there will be an opportunity at this session for me to go into greater detail on this subject than at present. I should like to quote one sentence from a statement made last year by our present Prime Minister when he said:

> It is also the view of the Canadian government that the immediate menace of communism in the far east should not be met by the restoration of Japan to a position of such power she could once again become a threat to peace.

That remains the policy of the Canadian government.

The hon. member for Vancouver South, not unnaturally, was somewhat perturbed lest the preoccupation of the government with the Atlantic pact might indicate we were not alive to our responsibilities in the Pacific. I can assure him, however, there is no better way of ensuring the security of the Pacific ocean at this particular moment than by working out, between the great democratic powers, a security arrangement the effects of which will be felt all over the world, including the Pacific area. Our preoccupation at the moment with the North Atlantic alliance does not suggest that the government need do nothing in regard to the Pacific. We are, in fact, actively participating in the far eastern commission. We maintain a diplomatic mission in Tokyo. We took part in the commonwealth discussions in 1947 in Canberra. In various other ways, we are participating in Pacific affairs.

In his remarks the hon. member for Vancouver South referred to newspaper reports which stated that some Pacific bloc was being formed. He wondered why the government had not made any announcement in regard to that situation. I can tell him and the house that, so far as we are concerned, no proposals of that kind have been made to us by any government. We have no knowledge whatever of proposals for a Pacific alliance, nor have we been asked to give our blessing to any such proposals. The statement which he read, and which I have also seen, was a purely speculative one and, so far as we know, had no foundation at all.

To deal with more general subjects now, Mr. Speaker, I should like for a short time to give the house a review—and it can be only a cursory review at this time—of the international position as I see it. Naturally that position still gives cause for much anxiety. However, the situation should be considered, I suggest, without panic but without illusions. There is no doubt that fear has gripped the world again, fear arising primarily out of the extension of the brutal domination of revolutionary communism, based on the massive and expanding militarism of totalitarian Russia.

As yet, though there is still no ground for undue optimism, there has been, I think it is safe to say, an easing of the tension in recent months. Hon. members, and in fact the people throughout this country, will be asking themselves the question, why is that? I suggest, Mr. Speaker, that it is certainly not due to the so-called peace overtures which have recently been made in Moscow, in Rome and in Paris, by communist leaders. To my mind it would, of course, be folly and even worse to reject or discourage any genuine move toward a peaceful solution of the problems that divide the world today between the democratic west and the totalitarian east. In this connection the house, and I am sure the country, will have read with much interest the answers given recently by the head of the soviet government to certain questions asked him by a United States newspaper correspondent. I suggest that we should be careful, in our reaction to these answers, not to

confuse words with deeds or to be lured by them into wishful thinking. There is no doubt that much of the icy dread and fear in the world today would tend to melt away under the warm radiance of Mr. Stalin's smile if he could only hold it, and if it were the smile of genuine friendship. But Mr. Stalin himself has said that "there is no logic stronger than the logic of facts." That is true, and I think it can be applied to statements which come from Moscow or indeed from any other capital. The leader of the soviet government also once said to a journalist:

> The export of revolution?—that is nonsense.

But to his own people he has said in the soviet bible, which is called Problems of Leninism:

> The goal is to consolidate the dictatorship of the proletariat in one country, using it as a base for the overthrow of imperialism—

—that is noncommunism—

> —in all countries.

The people of Czechoslovakia know which of these statements is true. The leader of Russia and his followers in the various countries may now be willing to issue conciliatory statements. Of course, we should not go out of our way to rebuff them but at the same time we should not forget, in our anxiety to go far beyond half way to meet peace, that those leaders have affirmed and reaffirmed that it is inconceivable that communism and the soviet republic should continue to exist indefinitely side by side with capitalistic states. "Ultimately", Mr. Stalin has said, "one or the other must conquer." By peaceful means? There is nothing of this in the communist dogma. Let me quote again from Stalin. He said:

> Transition from capitalism to socialism can be accomplished not by means of slow change, not by means of reform, but by means of revolution.

In bringing about this revolution, tactics of course may change and misleading answers may be given to questions asked by American journalists, and which the soviet people are not allowed to see; but the strategy outlined above remains fixed and consistent. Again to quote Stalin, and I think this is the last time that I shall have to draw on his speeches or books in this speech of mine, he said:

> . . . Tactics change dozens of times, whereas the strategical plans remain unchanged. Tactics deal with the forms of struggle and the forms of organization of the proletariat, with their changes and combinations . . . The object of this strategy is to gain time, to demoralize the enemy, and to accumulate forces in order later to assume the offensive.

Is it any wonder, therefore, that the western world looks to the future with anxiety?

Men of good will continually and rightly hope for a basic change in the relations of soviet Russia with the noncommunist world. But easy optimism and self-delusion are disastrous substitutes for cool analysis and consistent policies. The door to real co-operation should always be open but not to admit Trojan horses.

If then, Mr. Speaker, the tension has recently decreased—and I think it has—it is not because of words which have come out of Moscow or because of any fundamental alteration in communist doctrine. It is because of the policy of steady but unprovocative resistance to communist aggression; of progress toward an Atlantic security league; of the steps taken to restore the military and economic strength of western Europe. These policies are working and they may have provoked one of those recurring changes in communist tactics of which we have had examples in the past.

We may welcome any such change, but we should not permit it to divert us from the course that may well have brought about the change. We should keep on the road which the democracies have recently been following and which is the best road to peace.

We must continue the policy of deepening and broadening the basis of economic and social co-operation between free democratic states; of pressing forward toward economic and social justice within our own states. By showing that democracy can contribute more to the dignity and well-being of the citizen than communism can ever hope to do, we are making our best ultimate contribution to the defence, the "home defence", against communism. This, however, will not be effective if we rely exclusively on the building up of armed forces or if we allow ourselves to be frightened into reaction and repression. In every country the communists have two great allies, social and economic injustice on the one hand, and political reaction on the other. If we can destroy these allies and build up a strong, healthy, and progressive society on a democratic foundation, we can destroy communism. That should be, I suggest, our purpose and our objective.

But, while we are attempting to reach this objective, immediate protection is necessary against aggressive forces outside our country allied to subversive forces within it. If these aggressive forces should lead the world once again into war in a struggle between totalitarian communism and our Christian democratic way of life, Canada, in my view, could not and should not remain aloof. If we attempted to do so and the other free democracies, including our two mother countries and our neighbour, were involved, as they would be, what would happen then?

Leaving aside for the moment the diplomatic and strategic strain that this would put

on relationship with our mother countries and our neighbour, isolation would split our own country wide open in a way which we have avoided happily, but not too easily, in two world wars. It would be the end of Canadian unity, and therefore it would be the end of the Canadian nation. For this reason alone, Mr. Speaker, and quite apart from the fact that the next war, if we permit it to occur, would make the last one like a militia skirmish, the foreign policy of this government must be directed to one single end, the avoidance by every means within its power of this atomic catastrophe.

How can we do this? By burying our heads in the snow and allowing others to make the decisions, without our participation, which would bind us in spite of ourselves? There is no safety there. Or relying wholly on the United Nations? That to my mind would be clearly unrealistic, because that body, though it must remain the basis of our policy on international co-operation, and we should spare no effort to improve and strengthen it, remains, under present circumstances, quite unable to provide the means by which any country can ensure its security; nor does it, in present circumstances, provide an effective instrument for use in removing the causes of war.

What is the remedy, then? Surely, Mr. Speaker, the best way to minimize the possibility of war is for the free nations to stand together on a regional basis, and, by doing so, to make it clear that no aggressor has any possible chance of winning any war which he may be tempted to start. It is necessary to accumulate enough force now to preserve freedom in order that ultimately freedom can be preserved without force. This force must be organized in such a way as to ensure that it will guarantee that the free nations cannot be defeated one by one. This is the policy, sir, which I think would have prevented war in 1914 and in 1939. It is our best hope of preventing war in the years ahead. It is a policy of peace.

In the pursuit of this policy, the government has been for some months now negotiating with other north Atlantic countries who share our democratic ideals a treaty for collective defence, which would strengthen the national security of each of the participants. I hope that these discussions, which have been taking place in Washington on an ambassadorial level, will soon be concluded, and that the representatives who have been participating in them will be able to submit to their governments a complete draft of a north Atlantic treaty, which in its essentials at least can, I hope, be made public at the same time that it is submitted to governments. The next stage will be a careful study by each government, and careful examination by the public opinion of each country, of the principles embodied in this draft. Amendments can be submitted, and then a conference will be held at which I hope the treaty can be signed. It would then be for each government to submit the treaty to its legislature, in the democratic way, for approval or rejection.

What has been said about this proposed Atlantic pact in the present debate, Mr. Speaker? The leader of the C.C.F. party (Mr. Coldwell) has declared that his party agrees that Canada should support and join such a north Atlantic pact. Similarly the hon. member for Peace River (Mr. Low) said the other night:

> We of the Social Credit organization favour the Atlantic pact and support it.

There is, however, Mr. Speaker, a serious omission in the unanimity with which this matter is otherwise regarded in the house in that no single Progressive Conservative member has so much as mentioned the pact. I think I am not strictly accurate in that statement, because the hon. member for Vancouver South (Mr. Green) did mention it. He said that he thought we were busy on it. The hon. member for Carleton (Mr. Drew), the leader of the official opposition, went back two thousand years and talked about the Achaean league, which he seemed to think was a federal state, but he had not a word to say about the Atlantic league of 1949. In his opening speech, all that the leader of the Conservative party had to say about international affairs was:

> No one will disagree with the fact that the first concern of this and every other government and every other parliamentary body is to do everything humanly possible to preserve the peace and to protect the people in the country which it serves.

That of course is quite true and very well said; but why this omission? Why no reference of any kind to this very important measure which is forecast in the speech from the throne? Is this parliament not united in the objectives that we are seeking through this pact? Or are any of us playing politics with peace at this time?

Mr. Smith (Calgary West): Would the hon. member permit one question?

Mr. Graydon: The first speech and he plays politics.

Mr. Smith (Calgary West): Will the minister permit one question? In view of the fact that foreign policy has been a matter of co-operation of all parties, does the minister think he is doing any good now by making this a political issue?

Mr. Graydon: We expected more of him than this.

Mr. Abbott: Suppose you listen to the answer.

Mr. Pearson: It is because I think and hope that the foreign policy of this country can be the foreign policy of all parties in this house and of all sections of opinion in this country that I am so disappointed that no reference to this important aspect of foreign policy was mentioned in any speech from the other side of the house. I agree that foreign policy should be as nonpartisan as is consistent with responsible government and I hope it will continue that way.

Mr. Graydon: That is a poor way to start.

Mr. Fleming: Why did the government cut off the debate?

Mr. Speaker: Order. May I remind hon. members that the hon. member who has the floor should not be interrupted without his permission.

Mr. Graydon: That is bargain-counter politics; that is all.

Mr. Sinclair: The big foreign affairs expert.

Mr. Smith (Calgary West): Cheap playing with the nation's future.

Mr. Pearson: The reason I mentioned this particular matter, and this important omission, is that it seemed to me that I have been reading about and hearing about speeches on foreign policy made in other parts of this country which are far removed indeed from some of the statements that have been made in this house. That is why I express the hope once again that we will not play politics with peace in this house.

Mr. Graydon: Hear, hear; give us an example of that. The minister had better set the example on that.

Mr. Pearson: I have known the hon. member for Peel for a long time, and I do not think he believes for a minute that he is going to be able to intimidate me or throw me off my balance.

Mr. Graydon: He won't show you how to play politics.

Mr. Pearson: He used to be so effective, Mr. Speaker, in our college debating society. May I return to the main stream of my remarks. May I mention to the house certain principles which have guided the Washington discussions about which I have just spoken, and which will be embodied in the resulting treaty. In the first place, this pact will be a regional agreement, if it is concluded, under the united nations charter. It should be subject to the provisions of the charter and it should be registered with the United Nations, which it is designed not to replace but to supplement. Indeed, if by some chance the security council of the United Nations should become an effective body for the preservation of peace, then our Atlantic pact would be unnecessary and it could be allowed to disappear.

We should also make sure that the Atlantic pact does not become merely a screen for narrow nationalist suspicions and fears; an instrument of unimaginative militarism or an agency of power politics or imperialistic ambitions of any of its members. In this respect I agree entirely with what was said the other evening by the hon. member for Rosetown-Biggar (Mr. Coldwell). I feel strongly, as he does and as I am sure all hon. members do, that this regional association must be far more than a military alliance. It must make a collective contribution to the social and economic betterment of the peoples of its member states.

In the past, alliances and leagues have always been formed to meet emergencies and have dissolved as the emergencies vanished. It must not be so this time. Our Atlantic union must have a deeper meaning and deeper roots. It must create the conditions for a kind of co-operation which goes beyond the immediate emergency. Threats to peace may bring our Atlantic pact into existence. Its contribution to welfare and progress may determine how long it is to survive. The Canadian government, therefore, attaches great importance to the part which the pact may play in the encouragement of peacetime co-operation between the signatories in the economic, social and cultural fields.

There is another point and it is for us an important one. The parliament of Canada, when the time comes, must be in a position to take its decision, in regard to this proposed security pact, deliberately and in full knowledge of what it means. The nature of the obligations which we undertake must be clear. Further, our own constitutional processes by which we call these obligations into action must be preserved. There must be mutual confidence and mutual trust in the will and ability of each member of the league to discharge its responsibilities. This mutual confidence is something which we do not now find in the United Nations, and it is a fatal defect in that organization at the present time. In our Atlantic league we can hope that the situation will be different.

Canada's obligation under this pact, however, must be within the measure of our resources and as part of the plans agreed to by all and by which each member of the group does the job for which it is best qualified. If I were asked now what precisely

those obligations will be, what they will involve, I would have to reply that I am not at the moment in a position to answer. But I can say this: The pact will be a group insurance policy and group insurance is cheaper and more effective than any individual policy.

Finally, every member of the group must share in all the decisions of the group even though we may recognize that the greater responsibility of some in carrying out these decisions must give their views special weight in reaching them. The treaty must therefore establish a constitutional basis by which that which concerns all is decided by all. Canada is no satellite of any country and would not be one in this association. If Canada is to be asked to share the obligations of the group, it must also share in the responsibility for determining how those obligations shall be met. On no other basis could Canada, or indeed any self-respecting state, sign such a pact.

On the other hand, it is by full partnership in a group of this kind that we can best hope to exert any influence which we possess to ensure that peaceful policies are followed by all its members.

This Atlantic pact, if we can bring it to a successful conclusion, does not give us the certainty of peace. No pact, no human achievement can do that. But it may give us a chance to establish peace in the future; and it is essential to our security in the present. It is certainly our best hope now for the prevention of aggression. It is our best hope for the establishment of relations between the two worlds on a basis, if not of friendship, at least of mutual toleration. That would give us time for men's minds to change and their souls to be freed so that toleration may turn to something better. That is all that we can ask for at this time from an Atlantic pact, but that is much and I think it is within our grasp.

In this breathing space which we may now secure, there will be time to resolve the eternal struggle that goes on between conflict and co-operation; the paradox of good in the midst of evil, of life in the midst of death. That paradox, and the utter futility of war as a method of resolving it, was never more dramatically illustrated than by the fact that the same bombers and bomber pilots who smashed Berlin and its people in 1945 are keeping those people alive in 1949.

There is nothing inevitable about war; there is nothing unchangeable about evil. If we of the free world can pursue the firm and constructive policies of resistance to communism that are now in train, refusing to be dazzled by the delusions of appeasement or stampeded by the rash counsels of panicky men, we may emerge from this wasteland of our post-war world into greener fields.

I feel certain that the people of Canada will support this Atlantic pact because it can lead us just in that direction. They will support it, not primarily because under it they can successfully wage war but because it will help them successfully to wage peace.

We Canadians know that, no matter how great the effort we make, how large the armed force we may try to build up, how peacefully we may behave, we cannot preserve our security and maintain our freedom by our own unaided efforts. To do this we must join our fortunes with those of the other north Atlantic democracies.

This is for us a new venture. But it is also a new adventure. It is an adventure in the building of a new community—the north Atlantic community. This year 1949 is an historic one for Canada. By union with Newfoundland we shall complete the work of confederation begun long ago. By helping to create a north Atlantic pact we shall have begun the work of uniting the north Atlantic community.

Mr. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, my first words must be of appreciation for the kindly greetings which have been extended to me by all members of the house regardless of the side upon which they sit. In that connection I should like particularly to express my personal appreciation of the greetings tendered me by the right hon. Prime Minister (Mr. St. Laurent). These are things that shall never be forgotten. I realize that some of these expressions may be tinged with regret, but I realize also that they are nonetheless sincere and they certainly are most welcome.

If it were not for the ordeal confronting me I would think that this was a most pleasant place in which to find one's self. I am sure that I have the sympathy of all those who have preceded me in this rather trying experience.

I appreciate that on an occasion such as this one does not engage in partisan political discussion. I trust I will have the indulgence and forbearance of the house. I should also like to express my best wishes and congratulations to those other fellow sufferers of the other afternoon who were introduced to the house prior to myself. I am sure that like myself they found the walk from the door to the clerk's table one of the longest walks upon which they ever entered in their lifetime.

I think most of them have already participated in the debates of the House of Commons despite the fact that only a little over one week has elapsed. I wish to congratulate all of them and express my good wishes to them,

although I do not want that remark to indicate my agreement with all the remarks of the last speaker, who, I think, very unfortunately interjected a political atmosphere into something which should be absolutely devoid of politics. Perhaps it would not be amiss to remind the hon. gentleman that those on this side of the house, in order to keep external affairs out of politics, sedulously avoided contesting the election so that the Secretary of State for External Affairs (Mr. Pearson) might enter the house as he did.

I understand it is appropriate at this time to make some passing reference to the constituency which one has the honour to represent. If I embarked upon that course it would exhaust the time that is allotted to me. Therefore I will simply say in passing that my constituency is a sort of microcosm of Canada. The home of the first government of Canada was in my constituency. It is the land of Evangeline, the background for the expulsion of the Acadians. I am sure that British Columbia members will admit that we grow the finest apples in the world. I will proceed to other matters without further remarks on that score.

There are various matters of local interest to which I should like to refer. I think we all appreciate that an occasion such as this is perhaps not the best time to deal with them. There are many that perhaps would be dealt with better when the estimates are before the house. I do not intend to enter upon a discussion of local matters to any greater extent than necessary. It is true, however, that the result of the election in my riding was, to some extent, determined by the fact that the people wanted certain protests uttered, and certain demands brought before the House of Commons.

With your permission I should like to refer for a few moments to matters which, although of local interest, may have some interest outside of my own constituency. I should like to say something about our fishermen. When I say "fishermen" I do not mean the fishermen of the riding of the Minister of Reconstruction and Supply (Mr. Winters) who go out on the banks in schooners. I wish to deal with inshore fishermen only.

We have many of them in my constituency. During the last few years United States trawlers have dragged along the coast line of the United States until the fishing grounds there are certainly depleted. Whether that is due to this or other causes may be a matter for argument. As a result, United States trawlers are now appearing off our own coast in ever-increasing numbers. The livelihood of the inshore fishermen of my constituency and of the maritimes—I know nothing about the west—is threatened because of this practice. As I understand it, under international law these heavy United States trawlers can drag to within three miles of our coast line. Yet Canadian trawlers, built with Canadian money and manned by Canadian crews, are prevented by government policy—and, I suggest, proper policy—from fishing within twelve miles of our coast. I suggest that it is a rather anomalous situation that Canadian fishing vessels, manned by Canadian seamen, should be prevented from fishing within twelve miles of our coast, whereas United States fishermen on United States trawlers are permitted to fish within three miles of our coast. It is a situation which should be rectified.

Not too many years ago, the Department of Justice was not slow in moving the three-mile limit out to twelve miles when it was a question of catching rum-runners hovering off the coasts of New Brunswick and Prince Edward Island. During the first great war the navy decided to scrap the old three-mile limit and move it out to twelve miles. I believe this is a matter with which the government should deal. It is my understanding that at the present time there is proceeding an international conference on fisheries. I would suggest to the Minister of Fisheries (Mr. Mayhew), and the Minister of Reconstruction and Supply, who I know, has a tremendous interest in the matter, that this question should be taken up at that conference and some arrangement made concerning it. If that is not possible, then I would ask the Secretary of State for External Affairs if this is not a proper matter for negotiation with Washington. It must be done, and it can be done. As the Secretary of State for External Affairs undoubtedly knows, in so far as the bay of Fundy is concerned, this is an open question. If you read the correspondence between Mr. Bacon, who was Secretary of State at Washington, and Lord Bryce, you will find that the British claimed the bay of Fundy was coastal waters, and the United States said it was a part of the high seas. They both agreed to disagree, and to keep the matter open for future reference. I suggest that the time has now come to settle this matter once and for all, and I urge upon the government the necessity of taking action which will avoid the absolute ruin of our inshore fishermen.

Nor is that all of the trawler story. Not only are United States trawlers fishing outside the three-mile limit, but persistently and consistently they are fishing inside that limit—under cover of darkness, and sometimes in broad daylight. They drift to within a short distance of our coast line. As a matter of fact, on more than one occasion lobster

traps set within a few hundred yards of our coast line have been caught up by the trawls of United States trawlers. This matter has caused a great deal of concern to Canadian fishermen. It is bad enough to have the three-mile limit, but not to be able to enforce it is something which causes dissatisfaction. The reason for that is that we have in that area only one small, old and inefficient patrol boat, the *Capelin*. In a stiff breeze no self-respecting sailor would embark upon her because he would realize that he was risking his life. That boat has to tie up at night because it cannot patrol after dark. Representations were made to me by the fishermen a short time ago. I took up the matter with the Department of Fisheries, and as a result of my representations the superintendent of the fisheries department at Moncton sent the big patrol boat, the *Cygnus*, down to the bay of Fundy. I am sure that the Minister of Justice (Mr. Garson) and the Minister of Fisheries know what result attended upon that. On its first patrol of the bay of Fundy the *Cygnus* caught a United States trawler within two and a half miles of the Nova Scotia coast line.

If one had the time it would be rather interesting to read the newspaper stories which appeared last week concerning this matter. The first day there was a glaring headline announcing the seizure, and a picture of the boat with men of the Royal Canadian Mounted Police guarding it. The next day the statement appeared that the boat was going to be forfeited and sold. Then there were stories of protests from various places outside the country, but the department still stood firm and said that the boat was going to be sold. On the next day there was a suggestion that possibly the boat might be released in order to engage in fishing, but that a deposit would have to be made with the department. Then the next day, Friday to be exact, the Minister of Justice issued a little statement—for which he should be commended, because it was certainly brief and economical—in which he said that on his instructions the *Araho* was being released immediately. I asked if it was released without a deposit, and he replied that it was; therefore the incident is closed.

I presume the department felt this was a proper case in which justice should be tempered with mercy, and perhaps one should not quarrel too much with that point of view. But I am sure neither the Minister of Fisheries (Mr. Mayhew) nor the Minister of Justice (Mr. Garson)—and I am certain not the Minister of Reconstruction and Supply (Mr. Winters)—would be so naive as to accept the explanation that the radio direction finder was out of order, and that this was the reason this boat was within two and a half miles of our coast line. These were deep-sea fishermen. They could tell by glancing across the water, either by day or by night, whether they were within one, two or three hundred yards or one, two or three miles of the coast line, and no radio direction finder was needed. It is the story we always hear when the murderer is caught; he says the gun went off by accident.

In any case, Mr. Speaker, two things are necessary. In the first place the *Cygnus* must be maintained in those waters, and in the second place more and more efficient patrol boats must be built. In that connection I should like to mention another matter which has been advocated by the Halifax *Herald* from time to time and which I think is in the thoughts of most people in the maritimes. We are a maritime people. We are proud of our sailors, proud of our fishermen; yet on our eastern coast, at any rate—whether or not this is so on the west coast I do not know—we do not have any coastguard service whatever. When our ships get into trouble we have to call upon the United States coastguard to help us out. They have done so generously and well. I realize that in this modern day and age the aeroplane renders wonderful service, and certainly the search and rescue squad of the R.C.A.F. at Dartmouth, and now at Greenwood, has rendered yeoman service. But aeroplanes cannot rescue drowning sailors; and I suggest that to help maintain the traditions of Canada as a great maritime nation we must have an efficient coastguard service to help our sailors and carry out the work which has to be carried out in that connection.

Then, Mr. Speaker, if we had a patrol service and a coastguard service I believe the difficulties of the fishermen would be met temporarily, at least until such time as it is possible to negotiate a treaty under which the coastal line may be moved further off shore.

There is another matter to which I should like to refer, a matter which has been mentioned in this house a great deal, of course, during the last few days; that is, the plight in which our farmers find themselves. We in our constituency are particularly conscious of that situation, because the fruit growers of the Annapolis valley have been largely dependent upon the export markets of Great Britain and, to some extent, western Europe. Those markets have been lost to us, first because of the war and now because of sterling restrictions. This applies not only to apples. This week here on parliament hill we saw a committee representing all the poultry raisers of Canada, who were worrying about the restriction of their markets, and who could see that within the immediate

future their industry might be facing disaster. Our fishermen are facing restricted markets because of lack of sterling; our lumbermen see the possibility that the British market may be closed to them through restrictions on sterling, and they are facing a most serious situation.

All these primary producers are in difficulties. This government has inaugurated a system of price support, and that is good. However, I am sure the minister and everyone else will admit that price support in itself is not a solution. We see these surpluses starting to build up; and what the end may be it is hard for any of us to say. I think we must go further than that, even as a temporary measure. Many may not like it; there are those, I know, who are violently opposed to it, but some system of controlled, orderly marketing of all these surpluses which are starting to overhang the markets of this country and of the world must be developed. I suggest to the Minister of Agriculture (Mr. Gardiner) one step I believe he should seriously consider; that is, the inauguration of a natural products marketing act. I believe the minister is giving this matter consideration; I hope he is, as I know he has been giving consideration to many of these matters for a long time. So I do urge upon him the importance of this action.

But that would not be a final solution. You can have your price support; you can have your marketing act; but the only possible solution in the long run is some action to regain the markets of western Europe, Great Britain and the entire sterling area. Unless that is done I believe our producers may be in great difficulties and even reduced to the level of a peasant economy. Our principal market has been across the seas, and without that export market we may barely eke out an existence. Thousands may be forced to migrate, as has been suggested; and the economy of the country may be permanently impaired.

I am not suggesting for a moment, of course, that this government is wholly responsible for the loss of the sterling markets. We all realize that various factors enter into this matter. There was the war; there have been the controls which have come on since, and the various policies of other governments. All these things enter into the situation. I do believe there has been a trend of thought—perhaps a proper one—that Canada was going to develop into a great industrial nation because of changes that have occurred in regard to natural resources and so on, and that during the coming years we would see an increasing flow of goods to the south, with the result Canada would become a wealthy exporting nation, sending tremendous quantities of goods to our neighbour the United States. Then we would be wealthy and powerful, and exchange restrictions would be a thing of the past. That is a pleasant picture, and it may become a true one; it may materialize within the next twenty-five years. Given that development; given migration; given an increase in population, and all these things can happen. But, sir, that is not a solution for the people of this generation. They will not live long enough to benefit from those markets. They must regain the overseas markets.

So if this government is vulnerable—and I think perhaps it is on some points—I would suggest with respect that there are two points on which I would differ markedly with it. One of these points, of course, is only indirectly in reference to sterling; but I think the financial policy of tying our dollar to parity with the United States dollar brought a great deal of economic loss and disaster and prejudiced our dealings with the sterling area. More than that, I believe there has been a tendency, probably not on the part of the minister but on the part of officials in various departments, to assume that Great Britain was through, that sterling never again would be convertible, and that those of us who had any hope of regaining access to the markets of western Europe or Great Britain were living in a fool's paradise and ought to resign ourselves to the harsh facts of life. I think there was and probably still is an attitude of defeatism in that respect, Mr. Speaker, which has motivated this government in not proceeding as aggressively as I think it should in trying to rectify these difficulties and get us back into the sterling area.

We talk a great deal about the iron curtain; in his speech this afternoon the Secretary of State for External Affairs (Mr. Pearson) referred to it. There is another curtain which is causing almost as much trouble in the world, economically. That is the curtain which is hanging across the world with a dollar sign painted on one side and the pound sterling painted on the other.

That curtain must be lifted, sir, so that people can trade easily back and forth. Unless that is done the primary producers of this nation face disaster. This government must do something about it. Without interjecting political complications into this opening debate, I say this, that if this government does not succeed in overcoming this difficulty, with respect to trading in the sterling area, then as surely as day follows night it will be replaced by another government which will attempt, and will finally succeed in doing so.

There is a minor matter relating to agriculture to which I should not refer at all perhaps at this time, and that is the plight of the potato growers in my province. I know it is a matter of which the Minister of Agriculture (Mr. Gardiner) has considerable knowledge. It is the unsatisfactory situation in which we find ourselves in Nova Scotia, not only from an economic standpoint, but it is also definitely irritating to the pride of the people of that province. I am not criticizing this government for what it originally did. It had to take some action. The only trouble was that it moved too late. We were embargoed, kept out of the United States market, in so far as table potatoes were concerned.

Then, this government proceeded to set floor prices for potatoes grown in certain parts of New Brunswick, floor prices for potatoes grown in Prince Edward Island, but no floor prices for potatoes grown in Nova Scotia.

An hon. Member: How about Manitoba?

Mr. Nowlan: I do not know about Manitoba; that is a matter for the Manitoba members themselves to discuss. I am saying that the minister well knows the situation that developed. Unfortunately, perhaps there were election complications injected into it. Assurances were given that floor prices would be forthcoming. A floor price has not been established as yet, as far as I know. Certainly, it is not in effect today.

As a result, potatoes are being sold in my constituency today for export. They are being bagged, graded and trucked, and all those expenses are being paid by the grower who receives less than the floor price that is promised to the growers of New Brunswick and Prince Edward Island next April.

Next April those growers will receive a greater amount for the potatoes in their cellars, in bins, unpacked, ungraded, and all the rest of it, than our growers now receive for potatoes graded and delivered. You talk about your iron curtain! In our case, there fell across the strait of Chignecto an iron curtain which made it impossible for us to export potatoes and which kept the money of the government from coming in.

Speaking of Nova Scotia products, I am reminded of something which I saw in the speech from the throne. There is a reference to loans which are being made for the development of the steel industry. I am glad to see that, sir. I trust, not only that legislation will be introduced to that effect, but that that legislation will afterwards be implemented, because in Nova Scotia we have the potentialities for a tremendous steel industry. I hope and expect that this government will inaugurate a policy under which the steel industry will be enlarged and strengthened. If this is done it will provide an additional market for our agricultural products.

In that connection, sir, many statements have been made in the press lately with respect to a bridge which is or is not to be built across the strait of Canso. I understand the engineers are not yet ready to report on that. Certainly, sir, that must be done. Although I am speaking as a very junior member of this party, judging from the position taken by our party when this matter was discussed in the past, I think I am safe in saying we are unanimously behind this proposal to erect a bridge across the strait of Canso. We believe it must be done by this government at the earliest possible moment.

Dealing with matters of transportation, I should like to draw the attention of the Minister of Transport (Mr. Chevrier) to a rather peculiar situation which exists with respect to the Canadian National steamships operating from Halifax to the West Indies. Preliminary surveys show the possibility of developing a small export market for our apples in the West Indies. I am sure the Minister of Agriculture (Mr. Gardiner) realizes how important that might be. Our apple marketing board has taken this matter up with the management of the Canadian National boats with a view to obtaining the use of cold storage facilities on these boats. Cold storage facilities are essential in exporting apples to that market. We have been told by the management that we should first get the orders and then take the matter up with them and they would see if they could make some arrangements. How in the name of common sense can you get orders for the shipment of apples until you are assured of transportation facilities?

These ships contain at least three cold storage compartments. I quite realize that the beautiful aroma from Nova Scotia apples might affect the butter, eggs or cheese being shipped from Ontario. But at least, it should not be beyond the bounds of possibility to reserve one compartment for the shipment of apples during the period when apples are normally exported. It is estimated that, had we been able to ship these apples, we would have exported 10,000 barrels this year. I quite realize that 10,000 barrels does not seem a large amount, but to people suffering from a lack of markets, as our people are, 10,000 barrels is an important amount.

Since the Minister of Reconstruction and Supply (Mr. Winters) is in the house, I should like to mention another matter of transportation. In our constituency, we are not served

directly by the Canadian National Railways. We are served by the Dominion Atlantic Railway, a subsidiary of the Canadian Pacific Railway. In the old days, of course, the Dominion Atlantic Railway provided the most efficient means of shipping to an export market. Today, however, we have to pay freight over the Dominion Atlantic Railway to a Canadian National railway point, then pay freight over the Canadian National railways, which means paying freight for goods to travel over that long, tortuous, winding, military road which was built nearly a century ago when we were expecting an invasion from another country. It is absolutely impossible to ship goods efficiently or cheaply over that road. Perishable commodities cannot be shipped over this route at all because the time taken is too great. We have to face the fact that whatever is done in the future, there will be a restriction on the development of the apple industry. We will have to develop other products to some extent. In the meantime, we have to ship those apples wherever we can. We need faster shipping facilities to the markets of the New England states, Montreal and Toronto; that is essential.

I noticed the other day it was suggested that the Minister of Reconstruction and Supply would have a billion dollars to spend on public works when the period of unemployment is upon us. I should like to tell him that in my constituency unemployment is present today, and there is a great deal of it. If the lumber situation continues to deteriorate, there will be still more. I suggest that the piers at Saint John and Digby be constructed so that a car ferry can be operated across the bay of Fundy. This would mean that we could ship our goods in carload lots direct to the markets of Montreal, Boston and Toronto. That, sir, is more than a possibility; it is something which I think should be done in the very near future.

One other reference should be made to the apple industry, and with that I shall have finished. Our growers have received, and they appreciate the fact that they have received, from the treasury of the Dominion of Canada, substantial payments during the last few years. Those payments were made because of the fact that the industry found itself, through no fault of its own, deprived of its export market. The government realized that, unless those payments were made, the apple industry of this nation would be ruined. Every dollar, sir, which was received by the growers was of direct benefit to the apple growers in all the rest of Canada.

Let no one overlook that fact. If the government had not adopted that policy, the marketing system of Canada would have been completely disorganized. This expenditure was for the good of Canada. Our growers do not want, and they did not receive, handouts. They do not want, and they did not receive, beneficences. I am making this statement now, not because of any words or expressions that may have been used by any individual or individuals. I quite realize that statements are sometimes made in a jocular manner and not with the intention of being taken as seriously as they sometimes are. I want to make that plain. But I realize that some parts of the country are under the impression that special benefits have been given to that industry. I want to disabuse the minds of the public on that score. That industry received nothing more than was essential to maintain it. This government now faces the situation that, within the next few days, it will have to decide what its policy will be for the future. Policy is a matter for the government to determine. It will have to decide whether it wants to allow the industry to go under or whether it will give it further assistance. No government is justified in continually spending money on an industry that cannot be saved, and certainly the apple growers of the Annapolis valley do not want that, and do not expect it. I believe, however, that where an industry has every probability of recovery, when it can be reorganized, when it can be put back on its feet, then the government is justified in giving it support. Without discussing the matter further, because I realize that I may be trespassing upon ground on which one should not tread in a semi-political discussion, I leave it at that. I only say that if help is to be forthcoming, it must come now. Here we have an industry in which within the next few weeks millions of dollars must be spent for fertilizer and spraying materials. The growers have not the money with which to buy them. If satisfactory arrangements can be made so that spraying material and fertilizer can be purchased, those things can be purchased. If those arrangements cannot be made, they cannot be purchased. The worst thing that could happen would be to have this matter delayed and delayed until, in the end, perhaps some financial arrangement would be made; but in the meantime it would be too late, and the industry could not function efficiently this summer.

I wish to deal with one more matter and then I am through, because I notice that my time is rapidly expiring. As I said at the outset, I appreciate greatly the welcome I received from all members of the house, and particularly from those on the other side. I feel that I am under some obligation to them, and I should like to return that courtesy now. The other afternoon the Minister of Justice (Mr. Garson) was calling expert witnesses to

deal with the matter he was discussing, that of dominion-provincial relations. I think perhaps, Mr. Speaker, I would not be accused of being immodest if I should classify myself as an expert witness on the subject of why the government candidate lost the election on December 13. I think I might possibly be able to give some information to hon. gentlemen on the other side of the house with respect to that matter. It certainly was not because of the candidate, who was a man who had in the past won by large majorities, and who for many years had been a responsible minister of the crown in that province. Many local factors entered into the situation, but there was one primary matter which motivated the thinking of all the electors, and that was their resentment against the crushing burden of taxation imposed by this government at the present time. I wish to give this explanation to my hon. friends, if they have not already got it. I heard them getting it the other day from their own side, but possibly they can take it from me as a disinterested, unbiased observer! That is the explanation. That is the answer: the burden of taxation, the reckless expenditure, as I think it was termed. I should like to show certain hon. gentlemen opposite letters I have received from many Liberals whom they know throughout the province. These men wrote to me after the election and said they believed that the electors were justified in protesting against a government which imposed such heavy taxation and maintained such reckless expenditure. Those are not my statements. Those are statements from Liberals whom three of the hon. gentlemen opposite know well and whose judgment they would respect.

An hon. Member: Thanks for your advice.

Mr. Nowlan: I hope you profit by it. The only possible hope my hon. friend has of coming back in the next election is that the government accept that advice. It is not only the burden of taxation that is resented, but particularly the administration of the income tax. I do not intend to weary hon. members with a recital of the farmers' complaints with respect to the income tax. As I understand it, the Department of National Revenue proposes to issue to the farmers an income tax return about the size of a post card. I am glad to hear that, but may I say that it never was the size of the return which bothered the farmers so much. It was the interminable nagging, the questions asked, the letters which were written time and time again, year after year, about something which happened in 1942 and 1943; that was what broke the hearts of the people. Such questions were asked as when a cow was sold, or what happened to it. The people were asked to give a full explanation about such matters.

I realize that it is good financial policy to balance the budget. I realize that there is justification for decreasing the debt. But I suggest that the debt should not be decreased through the imposition of a heavy burden of taxation when the cost of living is bearing down on the people as it is at the moment. That policy cannot be justified.

I heard the Minister of Finance speak on an occasion on which, as he later said, he had never laughed so hard in his life. Speaking of taxation he first said that the government was setting aside something for a rainy day. Then he said it was to reduce the debt. Then finally he said it was to prepare for national defence. I suggest that this country is prepared to assume a burden of taxation for national defence if it is asked to do so properly, and for that purpose. But if we continue to impose a burden of taxation and try to justify it one minute on one ground, and another minute on another ground, sooner or later, when the necessity for national defence arises, we shall find ourselves in the position of the boy who called "Wolf, wolf," when no wolf was there; and the public will even resent paying taxes for the purpose of national defence.

I see that my time has just about expired. May I say this in closing, with regard to the matter of taxation, particularly as it concerns farmers and fishermen. At this session, I believe, a committee should be appointed—and I believe there is some hope of it—to deal with this whole matter. The farmers and fishermen do not wish to avoid the payment of taxes but they resent certain features and injustices in connection with the administration of the present act. I urge the appointment of a committee of the house to go into the matter thoroughly, to work out a system whereby the taxes may be collected and whereby at the same time the co-operation of the farmers and fishermen may be obtained.

I thank the members of the house for the courtesy they have shown me on this occasion.

Mr. Max Campbell (The Battlefords): Mr. Speaker, I have the privilege of following two new members who have made their maiden speeches in this house, and I wish to congratulate both of them on the splendid effort they made. I was greatly interested in the address delivered by the Secretary of State for External Affairs (Mr. Pearson) and was most happy when he accepted in large part the C.C.F. policy in regard to the north Atlantic pact. I wish the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) had

gone a little further in one statement he made, namely that he was in favour of a national marketing act.

I wish he had said whether he was in favour of a voluntary act or a compulsory act, because I attended a conference of farmers in the Chateau Laurier a little over a year ago, and I heard members of that organization from his province and from New Brunswick talking about a national marketing act. Every one of the speakers I heard that morning made remarks to the effect that in the maritime provinces they had tried voluntary marketing and it had been a failure, but now the maritime provinces are in favour of compulsory marketing schemes. I hope that the hon. member will agree with those farmers who came from his part of the maritime provinces, and will try to get his party to follow along with him.

I wish to deal this afternoon with one part of the minister's speech in which he made a jab at the official opposition. They resented it. I am not going to say whether they should, or whether he should have said what he did say. But let me give a little advice to the government members. This will probably be the last session of this parliament before the next election. In a good many provinces last year we had provincial elections. In Manitoba we had a coalition of Liberals and Conservatives, a coalition for the sole purpose of stopping the C.C.F. The same was true of British Columbia. While in Saskatchewan the Liberals and Conservatives did not form a coalition, they had gentlemen's agreements of one kind or another. The fact that my hon. friends on the government side are going after the official opposition in a rough manner is proving most embarrassing to some of my Liberal friends in Saskatchewan. In order to be fair and reasonable with their own people in Saskatchewan perhaps they should pull their punches a little. I picked up the North Battleford *Optimist* the other night, and I saw that my friend, and our old colleague in the House of Commons, the former member for Rosthern, had made a speech in that city. I read the speech because I am always interested in Mr. Tucker's speeches. Mr. Tucker was in the city of North Battleford, and his speech is reported in part as follows in the issue of January 20:

> Our Conservative friends helped materially in making the gains we did in the provincial elections. Our mutual differences were overcome by the common aim of defeating socialism.

Mr. Knowles: For once Tucker is right.

Mr. Campbell: I continue:

> It is different in the federal field. Mr. Drew has stated that every seat in Saskatchewan will be contested, and his organizer in this province has made attacks on both Liberals and the C.C.F. I hope that the provincial relationship between Liberals and Conservatives will not be destroyed by these attacks.

My friends over on the other side: put on your boxing gloves, but do not be quite as hard on the leader of the opposition and the supporters behind him. Mr. Tucker says that his Conservative friends helped materially. There is no doubt that if it had not been for the support the Conservatives gave to the Liberals in Saskatchewan, not many of them would have been elected. He said:

> Our mutual differences were overcome by the common aim of defeating socialism. The problem is different in the federal field.

He then complained about the Conservatives making attacks not only on the C.C.F. in the House of Commons, but also on the Liberals, and he said that it would be most embarrassing when the next provincial election rolls around. He hopes that hon. members here will be just a little bit milder in their language and in their attacks on each other so that these attacks will not destroy the unity that helped in the last provincial elections in Saskatchewan, Manitoba and British Columbia. I just give this as a little bit of advice.

Already in this house issues are beginning to appear. The parties are beginning to show the people of Canada what they are to fight on in the coming election. I was interested in the leader of the opposition's frontal attack on the government the other day, and I was equally interested in the answers of some of the hon. members on the other side. If I were to be appointed a judge of what has taken place so far I would say that possibly the official opposition got the worst of the encounter.

The position taken by the leader of the opposition (Mr. Drew) is that he does not believe in subsidies to provincial governments. He does not believe that one government should collect revenues and another government spend them. I believe the opinion in western Canada is largely summed up in an editorial I read a few days ago in the *Farm and Ranch Review*. There is a little politics in this which, if I were writing it, I would leave out. This is what the article says:

> Mr. Drew, unhappily, decided to double-talk about dominion-provincial relations. Mr. Drew is against subsidies from the federal government to provincial governments. He can be quite eloquent on this point, for he says that when subsidies are substituted for taxing powers the federal system breaks down.
>
> The fact remains that no taxing power yet devised by man can be effectively levied against wealth or income that is not there. That has been the essence of the prairie problem for twenty-five years. That was why we went through the wringer during the depression. That is why we lack roads and schools and hospitals and even industries.
>
> The immense profits made through the years by Canadian business on the prairies have been shipped

to Ontario and Quebec. National corporations have paid corporation taxes in the provinces where their head offices are located, not in the prairies from which a substantial portion of these profits are earned. Prairie governments, before the war, were forced to impose heavy taxation on local corporations and local taxpayers in an effort to stay solvent. That placed western companies and western business men in an impossible competitive position. Ontario and Quebec, because they were taxing the wealth earned all across Canada, could afford to charge lower rates.

The system now in effect recognizes this fact, and the payments made to the provinces are in large part based upon it. In his speeches out here Mr. Drew seemed to be saying that this arrangement wasn't good enough for us, and that he had something better to offer. He was exceedingly vague on this point, and with good reason. The Tories hope to win in Ontario on promises to get back to the pre-taxation agreement era of low taxes on corporations and personal income. And they hope to win on the prairies on promises they have not made.

I heard somebody say the other day—I do not remember who it was—that the same appeal would be made from one end of Canada to the other. I could go back and give instances, and a good many of them, in which different appeals have been made in different parts of Canada by both the old parties, but I shall not take the time to do it.

We have been hearing a good deal about socialism, and different names have been attached to the C.C.F. with regard to socialism. I wonder if those who are attacking the socialistic part of the C.C.F. and socialistic ideas of the C.C.F. realize the extent to which socialism has spread throughout the world during the last ten or fifteen years. If we stopped to consider I think we would agree that it spread because there was some reason for its spreading. Six out of the nine countries in the British commonwealth of nations have democratic socialist governments.

An hon. Member: Oh, oh.

Mr. Campbell: The hon. member can disagree if he likes, but I say that six of the nations in the British commonwealth have democratic socialist governments. The Scandinavian countries, France, and nearly all the countries in western Europe, have democratic socialist governments. The last election in the United States showed a definite trend away from monopoly capitalism. Canada, South Africa and Rhodesia are the only three countries in the British commonwealth of nations that still retain the old system of laissez-faire or monopoly capitalism.

Mr. Gibson (Comox-Alberni): And prosperity.

Mr. Campbell: The people should consider that. When slurring remarks about this group are made in the house—I think we accept most of them with good grace—hon. members should realize that this trend is not only in the C.C.F. movement, it is spreading pretty well all over the world. In western Europe, and the British commonwealth of nations there is what we call democratic socialist government; in eastern Europe they have what they call socialist government, but I call it totalitarian government.

I took the trouble to get different definitions of the word "socialism". I have my own idea of what socialism means; it is not totalitarianism, and it does not mean doing away with our democratic principles. I found this definition in the Encyclopaedia Britannica:

> Ethics of socialism and the ethics of Christianity are identical. The general tendency is to regard as socialistic any interference undertaken by society in behalf of the poor. In general it may be described as that movement which seeks, by economic changes, to destroy the existing inequalities of the world's social conditions.

And then Webster's dictionary gives this definition:

> A theory of society which advocates a more precise, orderly and harmonious arrangement of the social relations of mankind than that which has hitherto prevailed.

Johnson's Universal Cyclopedia has this definition:

> Socialism is a moral reform; it is the vices of mankind and the miseries resulting from these vices, to which socialism wishes to put an end, and it seeks its means not in a new religious issue, but in a new social organization.

If I were asked to define the kind of socialism in which I believe, I would take the first of these definitions and add three words, so that it would read:

> Ethics of socialism and the ethics of Christianity are identical. The general tendency is to regard as socialistic any interference undertaken by society in behalf of the poor. In general it may be described as that movement which seeks, by economic changes and democratic methods, to destroy the existing inequalities of the world's social conditions.

I would add the words "and democratic methods".

The reason for the trend that has taken place all over the world I think can be found in the evils of the capitalistic system. My main criticism of the speech from the throne is that it does not provide for any legislation to curb the monopolies that have grown up in this country. I think every hon. member will agree that we have giant monopolies and cartels, both national and international. I should like to present some evidence to prove absolutely that this government knows, and has known for a great many years, that these cartels exist, but it has done nothing effective to curb them. I do not say that they have not done anything; I say that they have not done anything effective to curb them. I realize that Mr. McGregor is investigating certain businesses and industries, and action may be taken against them, but even though action is taken and they are found guilty, the only result is a small fine.

As I said, I intend to present proof that this government knows and has known for a great many years that these things exist. I have in my hand a little book which perhaps a good many members of the House of Commons have never seen. It is entitled, "Manifesto of the Right Honourable Sir Wilfrid Laurier." It was issued on November 5, 1917. It will be remembered that the Liberals were in opposition at that time. The title on the page is, "Who shall rule, the people or the big interests?" The title continues:

Democracy and a free people
or
Autocracy and organized privilege

On Which Side Are You?

The soldier	The profiteer
The worker	The trusts
or	
The consumer	The food manipulators
The taxpayer	The pork barons

The Liberals went to the country in that election and promised the people that they would take care of the situation, which, even at that particular time, was growing into a problem. I say that they have not done anything effective. It is true that a commissioner was appointed, and I think he has done a good job. I have in my hand the report of the commissioner, and I should like to direct attention to it. It sets out some examples of cartel arrangements affecting Canadian import commodities.

A great number of people in Canada are affected by high prices. During the last recess I think I had more complaints from my people about high prices of the things they have to buy than about anything else. One of the reasons why we have high prices is the monopolies and cartel arrangements that exist.

The first chapter of this manifesto gives examples of cartel arrangements affecting Canadian import commodities as follows:

Fertilizers: potash, nitrogen, phosphorus; tanning materials: quebracho; flat glass, sulphur, dyestuffs, tools—cemented tungsten carbide; magnesia refractories, titanium pigments.

The next chapter deals with examples of cartel arrangements restricting Canadian manufacturers to home market on an exclusive basis:

Chemicals, soda ash, electric lamps, radio tubes and sets, matches.

The third chapter is with respect to examples of cartel arrangements involving participation by Canadian exporters. It deals with the base metals, copper, lead, zinc, nickel, and it also deals with steel, aluminum, acetic acid, radium and newsprint. Chapter 4 deals with the need for an effective policy. Chapter 6 comprises the conclusions and recommendations. I hope all members of the house have read this report. The leader of the opposition in his speech complained about the concentration of power that the dominion government has today, and the danger of greater concentration in the future if we allow the dominion government to exercise certain powers. He did not say one word, however, about the tremendous concentration of wealth in the provinces of Ontario and Quebec. He did not say anything about the tremendous power that that monopolistic situation has over the whole life of our country.

The other night the member for Cariboo (Mr. Irvine) made what I thought was an excellent speech. He went into the matter of what combines and monopolies were doing to the Canadian people. In this report five recommendations are made. I say that the government is lax in its duty. It is not doing its duty to the people of Canada when it takes no effective measures. There is nothing foreshadowed in the legislation outlined in the speech from the throne which will take care of the situation.

I am not going to read all the recommendations, but the fourth is as follows:

It is recommended that public policy be carried forward in a number of directions to deal effectively with the varied conditions of industrial control. What is required is an integrated program to ensure that the possibilities in modern industrial efficiency are developed and stimulated to serve the public interest. Investigation, publicity, and prosecution have their parts to play, but they cannot in every case serve as a solution to the problem of monopoly. Prosecution can be relied upon to remove restraints of trade only where it is possible and desirable to restore competition. In other circumstances different remedies must be applied. Canadian public policy with respect to combines has been established in existing legislation and judicial decision.

I say it has not gone far enough.

Further formulation of Canadian policy in regard to international cartels, presumably by the extension of similar principles, will enable representatives of this country to enter more readily into negotiations with those of other countries . . .

And so on. My contention is that this is one of the big problems facing us. The government has done nothing to implement the recommendations of this report. I also believe that this problem is being recognized to a far greater extent in the United States than it is in Canada. The United States has set up a small business committee of the house of representatives, and that committee has presented a report to the government. I have here an article in the *Christian Science Monitor* commenting thereon. It says:

The house small business committee, in a unanimous report on its investigations on monopolies during the past year, said:

"If capitalism in the United States is not to experience the fate of other capitalistic systems abroad, then time is of the essence in achieving a successful working of the nation's laws against private monopoly and restraints of trade."

The report said present penalties, which include fines and prison sentences for anti-trust violations, are not adequate, and "have not served to deter offenders." Violators usually are only fined, the report added. "The fines are just a slap on the wrist for a serious offence," Chairman Ploeser of Missouri said in a news conference as the report was released. "They are a cheap tax to pay, and in fact a fine can be used as a base of expense for new profits—just a business expense."

The committee made certain recommendations as follows:

1. Creation of special anti-trust courts to hear anti-trust cases. Appeals could be made directly to the supreme court.

2. That preferential commodity freight rates by railroads be made illegal.

3. Losses of individual chain stores should not be deductible from the parent organization's income for tax purposes if the losses are incurred by selling below cost "or at unreasonably low prices to eliminate competition."

4. That a graduated percentage tax on cigarettes be substituted for the present flat rate. The tax would be based on the selling price of the cigarettes.

5. That the federal trade commission be directed by congress to investigate "the problem of bigness in business" and study "the desirability and feasibility of breaking down so-called conglomerates in American business."

There is no suggestion there that any action should be taken by the government to take over any of those industries and operate them as a public monopoly. I think that in the near future it will be necessary for both Canada and the United States to take over and operate some of these monopolies. I do not say it will be necessary with all of them. I think that in a good many cases co-operation can be secured from them, and they can be persuaded to deal fairly with both the United States and the Canadian people.

I heard my friends to the left say that a government monopoly would be just as bad as a private monopoly.

An hon. Member: Worse.

Mr. Campbell: Somebody says "worse". I cannot see the logic in an argument of that kind. As an illustration, let me speak of a project that is a monopoly right here in Ontario, the hydroelectric system. I think the people of Ontario were very wise when they took over and operated most of the power producing facilities in Ontario. The hydroelectric commission is operated as a public monopoly. The whole idea is to give the people cheaper electricity, and to give it to them at as near cost as possible. A private monopoly is operated mainly for the purpose of extracting more from the consumers. It does not make sense to me, therefore, for anybody to interject that a government monopoly is worse than a private monopoly. There is no comparison. The purpose of a government monopoly is to give service at cost to the people. I think if you tried to get the people of Ontario to go back to a private enterprise, or a private monopoly, for their electricity, you would not get very far.

Mr. Victor Quelch (Acadia): Mr. Speaker, I listened this afternoon with a great deal of interest to the speech made by the Secretary of State for External Affairs (Mr. Pearson). I am sure that all hon. members will agree that in his first speech in the House of Commons he created a very favourable impression. The speech from the throne commences with a declaration regarding the government's concern to ensure peace and security throughout the world. Nevertheless, we in this group feel that many of the government's post-war policies have had the opposite effect and, moreover, that by the very nature of those policies the inevitable result must be insecurity and international friction. When I say that I have in mind particularly the government's post-war international trade and financial policies.

In recent months the Canadian press has given a good deal of publicity to the warnings issued by the food and agricultural organization. I note that Sir John Boyd Orr is quoted as saying that the situation in the world today may be likened to the death march of our civilization. Then a warning is also issued that, unless the undernourished world spends as many billions of dollars on increasing food production as on war, half its population in the next twenty years may suffer from food deficiency and premature death. I think all hon. members will agree that is not a condition conducive to peace. It is a situation or a warning that cannot be lightly set aside.

The food and agricultural organization urges that greater consideration be given to soil conservation and increased efficiency in methods of production; and I would recommend that hon. members, if they have not already done so, should read a book entitled "Road to Survival" by Vogt. This is a statistical summary which fully backs up the warnings issued by the food and agricultural organization. Some of the recommendations may be considered somewhat drastic, but I think one must agree that the basis of the warning is sound.

The food and agricultural organization points to conditions throughout the world. It points out that in Australia the area of the desert is steadily expanding; that in South Africa the jungle is steadily encroaching upon the fertile cultivated lands; and that on the North American continent there has been a loss of top soil amounting to three billion tons annually. Then I noticed in the November 13 issue of *Foreign Trade* an article on

India entitled, "Greater Agricultural Production Essential to Economy of India," and I quote from page 999:

> There is at present an annual deficit for the Dominion of India of approximately five million tons of food grains. Without any increase in production and taking into consideration the natural increase of population, the deficit will amount to nine million tons at the end of five years.

Then it outlines a very progressive program the government is endeavouring to put into operation to increase the productivity of the land, including a large-scale program of irrigation; and I quote from page 1000:

> Out of the numerous projects that are under consideration it is proposed that immediately priority shall be given to two developments that would require an expenditure of 1,000 million rupees, and would bring a further 3,600,000 acres under irrigation, while nearly 2,000,000 acres of hitherto uncultivated land would be made available for the growing of food crops.

Now I want to say a few words with regard to the situation in Canada. I think much could be done to assure the continuation of a high level of production of food by means of irrigation. A large number of projects already have been surveyed and are ready for action on the part of the federal government, but unfortunately in the past the policy of the minister of reconstruction appears to have been to hold back these projects as a cushion against unemployment. I was very glad to hear the Minister of Agriculture (Mr. Gardiner), in a speech he made last year in a bid for the leadership of the Liberal party, state that he believes these irrigation projects should be proceeded with immediately and not held back as unemployment relief projects. I attended the annual meeting of the eastern irrigation association in Alberta last December; and in spite of very severe weather—the temperature was more than 25 below and the roads had been drifted—a large number turned out, some of the farmers driving for a hundred miles in order to be at the meeting. The government representative, Mr. E. L. Gray, gave a very interesting talk on what had been done in connection with building two small dams on east and west Berry creek, and he urged the convention not to press the government too hard to proceed with the main project in that area, known as the Red Deer diversion scheme, but to utilize the water that could be obtained from the two new dams and later on ask the government to proceed with the Red Deer diversion project. The interesting point to note is that after he had completed his remarks a prominent Liberal in the audience rose and moved a resolution to the effect that the government be asked to proceed immediately with the construction of the Red Deer diversion project. The reason given, of course, was that owing to the conditions which exist in that area there are many years when the surface run-off water is altogether insufficient to meet the needs of any irrigation project depending upon it, and that therefore it would be necessary to divert water from the Red Deer river to ensure an adequate supply.

There is something else I think the government should do in order to maintain production at a high level; that is, adjust their taxation policy in regard to agriculture. I do not think there is any doubt that the government's agricultural taxation policy is running foul of the law of diminishing returns; and until such time as that legislation is changed in relation to agriculture they are definitely handicapping the production of food.

In spite of various warnings issued by the food and agricultural organization, today many people are warning of the danger of impending surpluses of food. I have in my hand an extract from the Calgary *Herald*, dated Tuesday, December 21, 1948, which reads:

> Sir Hartley Shawcross, Britain's attorney general, said Saturday that "the world will starve unless all nations pursue an aggressive agricultural policy to pump up food production."
>
> And Tom Williams, Britain's minister of agriculture, stated that failure of a single harvest in North America could mean disaster. Underlying a temporary improvement, he said, is a fundamental long-term insecurity.
>
> In New York, however, two economists, Dr. Julius Hirsch and his wife Edith, give another view, and state that the world is headed towards surpluses.
>
> Already, they say, wheat supply outstrips demands, adding that American food prices have passed their peak and, despite a probable interim rise, will fall next autumn below the price level of this fall. They state that world production of six of the seven main foods already equals or exceeds pre-war production. These are wheat, corn, potatoes, oats, fats and oils, and sugar.

While there may appear to be some contradiction between the views expressed by those gentlemen, I would point out that in reality there is no contradiction. On the one hand the FAO is warning that our production is altogether insufficient to meet the needs of the people of the world and that unless steps are taken to rapidly increase production there will be large-scale starvation. On the other hand the United States economists are pointing out that owing to the fact that the people who require food lack the means with which to buy it, surpluses will accumulate. In other words it seems to be a repetition of the situation which developed throughout the world in the thirties, when on the one hand we had thousands, yea millions, of starving people and on the other hand we had surpluses of food available for distribution; but unfortunately owing to our financial policies and the system of distribution, it was not possible to make that food available to the

starving masses. So, we actually had a reduction in the production of food to meet an inadequate buying power. It is mainly in that regard, Mr. Speaker, that I say government policies are not such as to provide security, nationally or internationally.

Most people, I think, appreciate that, in order to maintain high levels of agricultural production, the producer must be assured of adequate markets at fair prices. Failing that, production is bound to suffer. As a matter of government policy during the war and post-war years, farmers were forced to accept less than they might otherwise have received in return for some nebulous form of promise regarding stabilized prices. The farmers of Canada today, Mr. Speaker, are greatly concerned over what is happening in connection with the United Kingdom food agreements and in connection with foreign markets generally. They wonder what might happen if the United States had a large wheat crop this year and declared wheat a surplus commodity, when ECA funds would be no longer available to the European countries for the purchase of Canadian wheat.

I have read with a great deal of interest the speech made by the Minister of Agriculture (Mr. Gardiner) before the Canadian Chamber of Commerce in London on December 17. In this speech I note the minister time and again deplores the fact that Britain is increasing her purchases of food from other countries at the expense of trading with Canada. He points out this is largely due to the shortage of dollars. I noted the minister deplored the fact that no basis has been established for the conversion of sterling into dollars, and the minister implies that the blame rests upon the manipulation of some small group of crackpots called economists. I think the minister should remember that he and his government supported these same crackpots at a time when they were formulating post-war financial policies on an international basis. I have in mind, of course, especially the Bretton Woods agreement and, in some respects, the Geneva trade agreements.

Mr. Speaker, people who look for the convertibility of currencies are indulging in a pipedream unless, first of all, a basis is laid for the balancing of international trade. Looking at the world situation today, we see that the United States has a favourable balance of trade in the neighbourhood of $12 billion, whilst the rest of the nations of the world to a very large extent suffer an unfavourable balance of trade. Does anyone think that, under circumstances such as these, it would be possible to have the convertibility of currencies into dollars? The only way those countries can obtain dollars is by selling goods to the United States. Obviously, at a time when the United States has a favourable balance of trade to the extent of 10 to 12 billion dollars, there must be an adverse balance somewhere in the neighbourhood of 10 or 12 billion dollars. To talk of convertibility at such a time is to talk utter nonsense.

I should like to draw the attention of the Minister of Agriculture to the fact that Europe was advised by the international monetary fund to reduce her imports from the western hemisphere and expand her imports from other countries. We should keep in mind the fact that the government of which the minister is a member enthusiastically supported the international monetary fund at the time it was brought into existence. People have been criticizing Britain, and I have in mind the statement of the hon. member for Cochrane (Mr. Bradette), for dealing with the countries behind the iron curtain. I say to him that Britain is doing the very thing recommended by the international monetary fund. I do not say Britain would not have done it without the recommendation of that fund, but I would say she is taking the only action open to her in view of world conditions.

I should like to quote from the annual report of the international monetary fund, dated April 30, 1948. Turning to page 11, I quote:

> The gap in Europe's dollar payments may be bridged in part, as it has been in the past, through the development of an export surplus with areas other than the western hemisphere, particularly Africa and Asia. For this to be possible it will be necessary for these parts of the world, in turn, to develop an export surplus with the western hemisphere.

I pause for a moment at this point to say that it is very easy to tell these countries to develop an export surplus with the western hemisphere without laying down any basis for doing so. We know very well that would not be possible unless the United States was willing to exchange goods for goods instead of dollars.

I proceed, then, to a point to which I especially wish to draw the attention of this house.

> These areas might also be further developed as alternative sources for certain European imports and this would diminish European demands for imports from the western hemisphere. Such developments, however, even if supplemented by American investment abroad and by increased expenditures by United States tourists, are unlikely completely to restore the dollar payments position of Europe.

Then, the report continues, and this is the crux of the whole situation:

> An expansion of European exports directly to the western hemisphere, therefore, appears essential if Europe's dollar shortage is to be eliminated by the end of the program of the United States assistance.

I would point out, Mr. Speaker, that it is only possible, or it will only be possible, for Europe to expand her exports to the western hemisphere provided there is a change in the international trade policies of Canada and the United States. We stressed that point time and again during the discussion on Bretton Woods. We pointed out that that agreement placed the main responsibility on the debtor nations for balancing their trade and placed no responsibility whatever on the creditor nations to accept payment for their goods in the only way a debtor nation can pay, and that is with goods. The Bretton Woods agreement gave the creditor nation the right to demand payment in its own currency without providing any means by which the purchasing nation might secure that medium of exchange.

According to the outline of Canadian policy as given time and again by the former Minister of Finance, Mr. Ilsley, and more latterly by the present Minister of Finance (Mr. Abbott), we want to continue sending goods to Britain for dollars instead of accepting payment in goods, knowing full well the only way Britain could obtain dollars would be by exporting goods equivalent to the value of those they buy; unless, of course, Britain is to be forced into a position of unpayable debt, and no nation wants to be placed in that position.

It is also very interesting to note that the production of most nations in Europe today is greater than it was before the war. Again, I quote from the international monetary fund report, page 2:

> Although European production in 1947 was hampered by another unusually poor harvest and by shortages of coal and other vital materials, industrial production was about ten per cent greater than in 1946. By the end of 1947 nearly all the European countries had reached or exceeded their prewar outputs. This was a remarkable achievement for a group of economies which had so recently been devastated and dislocated by war.

I think we may judge from that that the European nations will, in the future, insist that when they buy goods from other nations those nations must accept goods in return, because with their production rapidly expanding they will have the goods with which to pay for their imports.

That is why, Mr. Speaker, we have consistently urged that exporting nations be willing to accept payment in the currency of the importing country, so that with this currency the exporting nation may buy an equivalent value in goods from the importing nation. In other words, currency obtained in payment for the exports would be convertible into goods of the purchasing nation. If we adopt that policy I do not think we shall in future have any difficulty in selling our exports in Europe. To those people who would say to me that what I am suggesting is bilateral trade agreements, and that it is desirable that we should put trade on a multilateral basis, I would point out that such an objective could easily be accomplished by the setting up of an international exchange on which the credits held in one nation could be traded for the credits held in another. For example, if we exported one billion dollars' worth of goods to Britain and needed to bring back only $750,000,000 worth of goods, we could then take that credit of $250,000,000 worth of goods from France; and France would then take goods in payment from Britain. In that way you would be putting your trade on a multilateral basis and would be making goods convertible into goods instead of making goods convertible into currency.

However, I notice that the international monetary fund stresses an important condition which must be met if we are to increase our imports from Europe; and again I quote from the report of the international monetary fund at page 13:

> A high level of demand in the western hemisphere will be a necessary condition for increasing exports to this region. A further relaxation of tariffs and import quotas in the western hemisphere countries applicable to primary commodities as well as to manufactured goods would be helpful in encouraging the necessary increase and redirection of world trade. But recognition of these considerations should not obscure the fact that Europe's need to increase its exports to the western hemisphere arises not only from the exceptional circumstances of the transitional period but also from more enduring changes in the world economic structure.

It is well to note that they stress the fact that this is not a temporary situation.

Mr. Blackmore: The old order is gone.

Mr. Quelch: In order that the condition mentioned might be accomplished with regard to Canada, I think it would be highly desirable for the government to conduct an educational campaign urging upon the people of Canada the necessity and desirability of buying more European goods; pointing out to the people that if we desire to maintain in Europe our markets for our agricultural and other products we wish to export there, we must be prepared to accept payment in goods. Therefore, the Canadian people should be encouraged to buy European products.

In that regard, an important point will be that of seeing that the purchasing power of the people is at all times maintained at a level that will make it possible to buy these imports when brought into the country. In other words, demand by itself is useless unless backed up by money so that it may be effective.

Mr. Blackmore: Let us have dividends.

Mr. Quelch: In a speech before the Canadian chamber of commerce at London, the

Minister of Agriculture (Mr. Gardiner) made a statement regarding surpluses and starving people, and I should like to quote what he said, because I agree 100 per cent.

Mr. Gardiner: I would ask the hon. member to read in *Hansard* the two statements. Apparently he is agreeing with the two statements.

Mr. Quelch: I agree with most of what the minister said. I think the speech was a good one. On the other hand, the minister did not seem to realize that the very people he was referring to as crackpot economists were the people that he and his government so thoroughly endorsed and supported in their post-war policies at the conclusion of hostilities; and therefore the situation which has developed in Europe has been brought about by the very policies he and his government have been supporting.

Mr. Blackmore: Along with the United States.

Mr. Quelch: I wish to quote what the minister said. He stated:

> . . . I am convinced that the world is not in any state of mind where it can be expected to agree that the manipulation of any system or systems of currency is going to be allowed to interfere with getting surplus food to those who have empty stomachs.

Mr. Blackmore: What is the government going to do about it? That is what we want to know.

Mr. Quelch: I would agree with that statement 100 per cent, but I would point out to the Minister of Agriculture that the condition is not merely a general one throughout the world. It applies equally to our own Canadian economy.

Mr. Gardiner: That is what I was talking about.

Mr. Quelch: The minister was referring chiefly to the European situation. I would point out that I do not believe the people of Canada will again tolerate what happened in this country in the thirties. They will not be willing to see surpluses pile up on the one hand and see hundreds of thousands of people suffer a bare existence, on the other.

Mr. Blackmore: What is the government going to do about it?

Mr. Quelch: What is the situation today? Surely the minister will agree that it is not to the credit of Canada that, at a time when our production, employment and income are at their highest level, no provision whatsoever has been made to take care of those people who are physically incapacitated and unable to take care of themselves. While these people may not be exactly starving, they are only barely existing. The same thing, but to a lesser degree, may be said about our old age pensioners and about those benefiting under the War Veterans Allowance Act.

Mr. Gardiner: I might say, Mr. Speaker, that in the area in which my hon. friend lives, the fundamental responsibility for people physically incapacitated rests with the provincial government which, as I understand, had a large surplus last year.

Mr. Johnston: They are trying to pass the buck.

Mr. Quelch: It is really amusing, Mr. Speaker. The government are always trying to pass the buck on a question of this kind. But it is the federal government which has sole control over the issue of currency and credit in this country.

Mr. Gardiner: There was a $20 million surplus, I believe.

Mr. Quelch: On various occasions the government of Alberta have tried to pass legislation that would give them some control over credit, but, as the Minister of Agriculture knows only too well, those measures have all been declared ultra vires. As a matter of fact, the government did not wait for the legislation to be declared ultra vires, but disallowed it themselves.

Mr. Blackmore: That is right.

Mr. Quelch: That shows how much the government of this country are interested in Alberta's trying to solve her own problems. Instead of trying to help Alberta, they impeded her progress, and they impeded the social credit program of the government of Alberta, in spite of the promise that was made by the Prime Minister of this country in September, 1935, when he spoke in Saskatoon and stated that a great experiment was being tried in Alberta, that he hoped from the bottom of his heart it would succeed, and pledged that his party would do nothing to impede the progress of that movement.

Mr. Blackmore: The bottom dropped out.

Mr. Gardiner: Why do they not spend that $20 million surplus on the people who need care?

Mr. Quelch: The Minister of Agriculture seems to be a little bit jealous of the progress that Alberta is making. I shall not give special credit to the government of Alberta for what is happening with regard to oil; that is a fortunate circumstance. I can assure the minister that the government of Alberta will use those resources to the greatest possible benefit of the Alberta people and of the Canadian people as a whole.

Mr. Low: And they will not be putting on taxes as hon. members opposite are.

Mr. Quelch: In order to help to promote peace and security throughout the world, it is imperative that Canada do everything in her power to maintain her production of food at the highest possible levels. First of all, in order to satisfy the needs of the Canadian people; second, in order that our surpluses may be used abroad for the purchase of goods which we cannot produce economically; third, to the extent that our production is in excess of the needs of the Canadian people and in excess of the amount of goods which are needed to bring imports into the country, a contribution could be made to a world pool of food, from which all other nations less happily situated than ourselves may be able to draw supplies.

On the other hand, to suggest curtailing the production of food for fear of piling up surpluses in the face of actual physical want would be an act of criminal folly. We have to face the fact that, owing to certain international policies supported by the federal government, our foreign markets are drying up. I listened to a broadcast just yesterday by the exporters association, in which it was said that they were having great difficulty in selling their products abroad owing largely to the shortage of dollars. Briefly I have placed on record what we believe to be a solution in part of our international trade difficulties.

I wish to devote the few minutes remaining to the government's agriculture policy, and I am especially pleased to see the Minister of Agriculture (Mr. Gardiner) in his seat. Since 1942, as a result of government policies, farmers have had to take less for their produce than they would otherwise have received. Those are practically the words of the Minister of Agriculture himself, and that has been the situation since 1942. In return they have received some kind of vague promises regarding stabilization. Nobody knows just exactly what the government's policy regarding stabilization is, and certainly we have not before us at the present time any long-term policy. But the point is that the farmers have already paid the premium for insurance against low prices. The British wheat agreement has only one more year to run, and the Agricultural Prices Support Act has only been continued in force to March 31, 1950, by order in council. I noticed what the minister said in the house yesterday, as reported at page 185 of *Hansard*. I thought we would have something more definite. He said:

> The present order in council sets the date at March 31, 1950, and before that date the matter will be further considered.

I had hoped he would say that before that date the act would be further extended. We have absolutely no assurance whatever that the Agricultural Prices Support Act will be continued in force after March 31, 1950. In the house we have time and again urged upon the government the desirability of making the Agricultural Prices Support Act permanent legislation so that it could be discontinued only by act of parliament.

Many attacks have been made upon the Canadian wheat board, but all farm organizations across Canada are solidly behind the continuation of the wheat board as the sole marketing agency for wheat. On the other hand they are asking that certain policies or principles governing the wheat board be changed. I hold in my hand a report of the western agricultural conference held in Saskatoon on January 20, as reported in the Manitoba *Co-operator*. I wish to quote from a part of a long resolution which states:

> That the Canadian wheat board should be an agency operating in the interests of grain producers, with a duty at all times to sell grain for the best available price whether in export or domestic markets, and should not be used as an instrument of government policy to limit domestic prices.

We agree with that 100 per cent, and we would emphasize this fact, that if it becomes necessary or desirable in the future to subsidize any body of consumers, whether of another country or the people of Canada, we insist that the cost of that subsidy should be borne by the Canadian people as a whole, and not placed solely upon the farmers, as has been done under the British wheat agreement, and the subsidizing of the Canadian consumers of wheat.

I also strongly believe in long-term international wheat agreements. Personally, I believe they are absolutely essential if in this country we are to receive a parity price for wheat. I believe that no government will maintain a parity price for wheat unless they can also obtain a parity price for their exports. Therefore I am somewhat critical of the policy which was laid down in the former international wheat agreement, because the price of wheat was in no way tied to the price of other commodities. I suggest that in the future the price of wheat in the first year should be set in relation to price of other products, and that price should be tied to the general price index of the countries buying our wheat, with the result that if the general price level went up 10 per cent the price of wheat would go up that amount. If the general price level went down 10 per cent the price of wheat would go down. The net result would be that our exports of wheat would always bring back to this country an equivalent value of imports, which would be desirable from the

point of view of the importer as well as from the point of view of the exporter. But merely to try to gamble or speculate as to what the price is going to be in the future and say that this year the price is so much, and next year it will be so much, and the following year it will be so much, may lead to a repetition of what happened under the British wheat agreement. The government was badly fooled as to what happened. At the time the price was set it may have seemed a fair price in relation to other products, but the general price level rose and no provision was made for the price of wheat rising with the general price level. I am suggesting that when long-term international wheat agreements are signed they be signed on a basis that will assure to producers a parity price on an international basis.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. W. A. Robinson (Simcoe East): Mr. Speaker, first I should like to join with hon. members who have spoken already in this debate in extending congratulations to the mover (Mr. Brown) and the seconder (Mr. Demers) of the address. I am sure my colleague from Ontario will forgive me if I make particular mention of the seconder, the hon. member for Laval-Two Mountains. We on the back benches to your right, Mr. Speaker, welcome him to our midst and predict for him a long and honourable career in this house.

I should like also to congratulate the hon. member for Davenport (Mr. MacNicol) on starting his journey the other evening over the great lakes at the port of Midland. He mentioned our wonderful harbour and he said something about our elevators, but he failed to mention our shipyard. I propose to spend some time this evening in a discussion of shipbuilding and of six words contained in the speech from the throne. Those words are, "assistance for the Canadian shipbuilding industry."

Those six words were of considerable interest to the municipalities in Canada in which are situated our seventeen great shipyards, and also to the numerous other municipalities in which our smaller yards are located. Shipbuilding is one of Canada's oldest industries. I understand that the first two ships built in Canada were two small vessels that were launched by Francois Grave in 1606 at Port Royal, now Annapolis Royal, in Nova Scotia. A seagoing vessel was constructed at Quebec as early as 1663 and others soon followed.

It is reported that in 1715 shipbuilding was a busy industry in Quebec, but it was suffering from a lack of encouragement by the governing authorities in France. This is an instance of the way in which history repeats itself. We find that in recent years the Canadian shipbuilding industry has been complaining about a lack of governmental encouragement. The words in the speech from the throne which I have quoted bring great hope to all those engaged in this important industry.

We had a striking experience last fall in Midland of the way in which history repeats itself. At that time there were launched two hopper barges for the French supply council. On that occasion my thoughts inevitably turned back to the past history of the Georgian bay district. Three hundred years ago this district was as densely populated as it is today, but in that far-off time the population was made up of Huron Indians who were living peaceably in their numerous villages.

Fort Ste. Marie stood as the westernmost outpost of New France and was the sanctuary of a gallant band of Jesuit missionaries who had left the comforts of France for the hazards of life in Canada in order to bring light to the aborigines. Three hundred years ago—this is where history has repeated itself—the natives supplied the visitors from France with Canadian-made transportation in the form of birch-bark canoes. Three hundred years later the natives were again supplying visitors from France with Canadian-made transportation, but this time it was in the form of fine steel ships. I need not remind hon. members of the disasters which overtook the Huron Indians and their Jesuit friends at the hands of the Iroquois. However, I would remind them that the year 1949 marks the tercentenary of the murderous attack on Father Brebeuf and Father Lalemant. This historic occasion will be commemorated next summer by appropriate ceremonies and pageants at the original site near Fort Ste. Marie, close to Midland.

I have mentioned the early days of shipbuilding in Canada, but I do not intend to trace its history down through the years from 1715 to date. But I should like to say a few words about the development of this industry on our upper lakes. The first Canadian shipyard on the upper lakes was established at Collingwood, Ontario, in 1902 for the building of steel steamships to be employed in those waters. I understand that their first important contract was the building of the s.s. *Huronic* of 3,329 tons and 308 feet in length, built for the Northern Navigation Company.

In 1912 another shipyard followed at Port Arthur, larger in size and designed to take

care of the increasing size of the upper lake freighters. One of this company's first ventures was the building of two steel canal type freighters which were completed in 1912 and 1913. Later in 1913 they built the celebrated passenger steamship *Noronic* for the Northern Navigation Company.

The yard at Midland was established a little later but it proved itself during the first war and in 1926 had the distinction of launching the great bulk freighter, the s.s. *Lemoyne*. That ship was 621 feet in length, it had 70 feet of a beam and a gross tonnage of 10,480 tons. This steamer, which I have mentioned before in this house, holds many records for cargo carrying.

Sad to relate, all these yards, which had proved their capacity in war and in peace, fell on evil days. During the fifteen years preceding the last war our Canadian yards constructed about 42 steel ships exceeding 150 feet in length, or an average of less than three such vessels a year. Twenty-three of those were canal size freighters; three were St. Lawrence river passenger steamers; six were upper lake bulk carriers, of which two were the s.s. *Lemoyne* and the s.s. *Stadacona*; the remainder were in various other categories. Those vessels were built at Midland, Port Arthur, Collingwood, Montreal, Sorel, Levis and Halifax. Some of those yards built no more than one of the larger vessels during that entire period.

One of the causes of this situation is not hard to find. It has been estimated that in 1931 only about one-third of the Canadian-owned ships of the larger class were Canadian built. Out of approximately 530 vessels exceeding 150 feet in length, 234 were British built, 118 were foreign built, and only 178 Canadian built. During the depression and up until the start of the war in 1939, our shipyards had constructed only about 14 larger vessels. Repairs and minor construction work kept some of the yards in operation at a low level of employment, but some of them were closed entirely.

I think the hon. member for Levis (Mr. Bourget) and other hon. members who represent ridings in which large shipyards are located would be glad to bear testimony with me to the calamity which overwhelms such a community when the big yard begins to lay off its men. How much better it might have been, in view of the approaching war, to have helped those yards to remain in operation rather than to pay out fantastic sums in unemployment relief, to have kept intact the skilled staffs of workers rather than to allow them to scatter? As a result we found ourselves unprepared for the challenge which met us in 1939.

Accordingly, the outbreak of the second world war in 1939 found the Canadian shipbuilding industry in rather poor shape. Expensive machinery had been rusting for years in the yards, and the skilled workers, who are so essential to the success of the industry, had scattered far and wide, and had taken other employment. As you will well remember, submarine warfare soon broke out in its full fury, and the cry went out for ships and more ships. I think it is significant that one of the very first references to Canada in Winston Churchill's book, "The Gathering Storm", occurs in his account of his activities shortly after he took over his old post at the Admiralty. I should like to quote from that account:

> The usual conflict between long term and short term policy rises to intensity in war. I prescribed that all work likely to compete with essential construction should be stopped on large vessels which could not come into service before the end of 1940, and that multiplication of our anti-submarine fleets must be effected by types capable of being built within twelve months or, if possible, eight.

Mr. Churchill was referring there to the program for corvettes, frigates, trawlers and motor launches, in which we in Canada played so large a part. I go on to quote:

> Orders were placed to the limit of our shipbuilding resources, including those of Canada. Even so, we did not achieve all that we hoped, and delays arose which were inevitable under the prevailing conditions and which caused deliveries from the shipyards to fall considerably short of our expectations.

I think these remarks by a world statesman of great experience in these matters should have great force in emphasizing that, if only from the standpoint of national safety, our Canadian shipbuilding industry must not be neglected. We all realize that we are living in troubled times. In fact, the dreadful word "war" was heard in this chamber only a few days ago. There seems little doubt that the signing of the north Atlantic security pact will increase, rather than diminish, our responsibilities.

I listened with great interest this afternoon, as did other hon. members, to the magnificent speech by our new Secretary of State for External Affairs (Mr. Pearson). I am sure that none of us could help feeling that there is a situation of gravity which must be faced. Some of the parties to the proposed north Atlantic security pact lie across the Atlantic. Should hostilities ever commence again—which, of course, I pray will never happen—it is plain to see that the need for shipping will be very great, and that the time will be very short. In other words, in the national interest, it is important that our shipyards be kept in constant operation, and that they be ready to expand their activities at a moment's notice.

I now turn to some of the physical aspects of our great lakes fleet. We have in Canada 61 upper-lakes freighters, and 116 canalers, making a total of 177 vessels of an aggregate of approximately 510,000 gross tons. The year before last, I believe, I put on *Hansard* figures as to the age and comparative obsolescence of some of these vessels. Suffice it to say now that the average age of our upper-lakes fleet is approximately forty-two years, of the canalers twenty-four years, and of the whole fleet thirty years. With the average age of our dry bulk carriers at approximately thirty years, and with only two bulk carriers in process of building at the present time, one at Collingwood and one at Midland, some definite action must be taken at an early date if the great lakes shipping industry is to survive.

I mentioned the bulk carriers at Collingwood and Midland. I should like hon. members to bear with me for a few minutes while I say something about those vessels. I only have particulars of the vessel under construction at Midland, but I think the one at Collingwood is similar. These vessels will surpass the *Lemoyne* in length, and I think it is a Canadian achievement in which hon. members might be interested. The bulk freighter now under construction at Midland is scheduled to be launched in June and to be completed in September. Provided there is no delay in the delivery of steel from the mills, it is considered that the program can be accomplished. When completed, the freighter will be one of the two largest vessels in operation on the great lakes. It will have an ore-carrying capacity of 8,000 tons. Other interesting features of the vessel are over-all length of 640 feet, over-all breadth of 67 feet, and depth of 35 feet. The engine is being built by Canadian Vickers of Montreal and will have an indicated horsepower of 3,200.

As I said before, these two vessels when completed will be two of the largest on the great lakes. In many trades our upper-lakes fleet is in direct competition with ships of the United States, and the average age and carrying capacity of their fleet is much better than our own. In the United States upper-lakes fleet there are about 325 vessels of approximately 2,000,000 tons, with an average age per ship of thirty-six years,while Canada's upper-lakes fleet consists of only 61 vessels of approximately 292,000 gross tons, and with an average age of forty-two years. The passenger fleet on the lakes is also far from satisfactory. The only part of the great lakes fleet which has been increased in recent years is the tanker fleet, and there is still a need for an increase in this trade.

I say, Mr. Speaker, that it is imperative that effective steps be taken without delay to replace the ageing Canadian lake fleet. We must keep Canada independent in lake shipping, and in a position to take care of Canada's domestic business, both in peacetime and in times of emergency. I think it was sufficiently demonstrated in the last war that our very life may depend upon our ability to move our commodities; and it is of almost equal importance in times of peace.

This situation is urgent, requiring immediate attention. I have already mentioned how disastrous it is when skilled employees leave the shipyards and are scattered throughout the country, and then we find that an emergency must be met. Already this scattering process is in full swing, as I think I can show from the employment figures. In 1944, at peak employment during the war, the shipbuilding industry in Canada employed approximately 75,000 workers, of whom some 9,000 were in great lakes yards. The average monthly figure for the fourth quarter of 1948 was only 12,449 workers, of whom 2,181 were employed on the great lakes.

Then there is the matter of steel. Information from the office of the steel controller as to monthly shipments of primary steel and steel castings to the shipbuilding industry, in relation to the total Canadian production, is equally revealing as to what is happening to the shipbuilding industry. In March of 1944 that industry received 34,404 tons, which was 15·4 per cent of total Canadian production. In September of 1946 the industry received but 367 tons or ·6 per cent of the total. In the first six months of 1948, shipbuilding got 2,990 tons in its worst month and 5,327 tons in its best month, ranging from 1·4 per cent to 2·3 per cent of the total Canadian production. Here again we see evidence of the recession in this important industry. Some of it, of course, is the result of the ending of our huge war program, but some of it is working to the disadvantage and detriment of the industry. I was informed that in Midland our contracts for French hopper barges were held back considerably through lack of steel; and I am also informed that for almost two years a very large Canadian steamship operator has wished to build a large passenger steamer, but that steel has not been made available. Surely the least we can do is see that essential supplies reach this important industry.

United States policy with regard to shipping was clearly defined in the United States merchant marine act of 1936, as follows:

> It is necessary for the national defence and development of its foreign trade and domestic commerce, that the United States shall have a merchant marine sufficient to carry its domestic water-borne

commerce and a substantial portion of the waterborne export and import foreign commerce of the United States.

In implementation of this policy, four government aids are available in the United States. First, there is the construction differential subsidy, which consists of absorption by the government of part of the higher labour and material costs of building in United States yards. Second, is the operating differential subsidy, which is based on five items, the chief of which is labour. Third, is a countervailing subsidy, designed to offset any bounties which may be paid by foreign governments. When last I inquired into that feature I understood it had not been invoked. Fourth, is assistance in the financing of new construction—trade-in allowances on old vessels and a system of tax exemption and tax deferments to channel profits into the acquisition of new tonnage.

What is our Canadian picture? One of the most recent statements of policy I think was contained in the address of the Minister of Trade and Commerce (Mr. Howe) last year in this house when moving the adoption of a resolution for the establishment of the maritime commission. I should like to summarize some of the points he made in that address.

A merchant navy adequate to our needs should be retained . . .

The merchant navy has to pay its way if it is to survive . . .

It is a definite part of a nation's defensive armoury and a considerable factor in a nation's economic structure . . .

The efficiency of such an important industry is therefore a matter which must be of concern to any government . . .

Inseparably related to the merchant navy is the shipbuilding and repairing industry which must also be taken into full account . . .

The continuation, development, prosperity and welfare of these enterprises is of national importance both economically and strategically . . .

Naturally I stress the reference to the shipbuilding and repairing industry. Therefore, Mr. Speaker, I hope the words "assistance for the Canadian shipbuilding industry" in the speech from the throne mean immediate implementation of that part of our policy relating to shipbuilding. I think it is clear that the Canadian shipbuilding industry is confronted with special problems and, at the same time, is of special importance in the economy of the nation. At this time I do not intend to discuss what form the assistance should take, but I do urge that it should be entirely adequate to the needs of the industry and the great national interest to be served. I therefore urge this with all the force at my command, not from the standpoint of national prestige, but from the standpoint of the national welfare and the national safety.

Mr. J. M. Macdonnell (Muskoka-Ontario): In the first place, Mr. Speaker, I should like to follow the pleasant custom of congratulating the mover and seconder of the address. It seems quite a long time now since they made their speeches, and perhaps it will be a still longer time before the actual vote comes, but at any rate I have pleasure in following that custom.

I should like tonight to ask the house to spend a few minutes in considering one interesting paragraph in the speech from the throne. It is a very innocent sounding paragraph, Mr. Speaker. It might mean anything or it might mean nothing. This paragraph reads as follows:

Prosperous conditions now prevailing are being reflected in the buoyant level of national revenues; a condition to which due consideration is being given by my ministers in the preparation of forthcoming budgetary proposals.

From one point of view, as I said a moment ago, that could mean anything or nothing, but there is no question whatever but that the meaning taken out of it is that it indicates a reduction of taxes. The Prime Minister was jocular about it the other evening. He said people could guess that if they liked. He suggested some newspapers favourable to the opposition had made that point, and he left it there. The Prime Minister might have gone further because, actually, one of the newspapers which took this inference quite strongly was the Toronto *Star*, a newspaper of which I presume the Prime Minister has heard and which I hope he reads from time to time, because it seems to spend most of its time supporting his party, especially when they are wrong.

Notwithstanding the Prime Minister's jocularity, I do not think anyone doubts very much what that was intended to mean. You will observe, Mr. Speaker, it was given a very important place in the speech from the throne. It is not just tossed in with the other benevolences; it is put right at the end in a very prominent position along with the request for the customary provision for essential services. If it was given a very prominent position, I think it was intended to have a prominent position, and I presume it was given that prominent position, among other reasons, so that the electors in the Nicolet-Yamaska district would not miss it when they were reading the budget speech. No doubt it was with them in mind that that paragraph was put in and given such a prominent position. One really wonders why the tax reductions were not put right in the speech from the throne so that the electors in the Nicolet-

Yamaska district would know all about it and would not have to guess at all.

One can sympathize with the government in that because, after all, they have suffered a bit lately. This afternoon the new member for Digby-Annapolis-Kings (Mr. Nowlan), with a generosity which I admired but which I could hardly emulate, gave them the secret. He said he had won and the government had been defeated because of the crushing burden of taxation.

A year ago this intention of the government was really made known. When no reduction was made last year, in spite of the large surplus, it was pointed out at that time by your humble servant:

> The one universal comment made when the minister was through was, "Well, no election this year."

I am reading from *Hansard* of May 21, 1948, page 4241:

> The reason is obvious. The reason was that the minister did not, like little Jack Horner, put in his thumb and pull out a plum.

He was keeping the plum until next year. This question of tax reduction leads to the question of surpluses and it is the latter question, Mr. Speaker, to which I shall ask the house to confine its attention for a few moments. I think it is of interest to us to consider the fact that in the last two years the government will have taken from us something like $1,200 million surplus and used it in various ways. I am going to ask you to examine some of the ways in which it was used later because some of them have no possible relation to the day-to-day business of the country; I mean the ordinary purposes for which the budgets are set up. I wish to ask the house before I take my seat whether they consider it proper and wise that a government should play about with these hundreds of millions of dollars with which it has been playing. It is apt to prove a temptation to them and get them into bad habits.

What we really want from the government is a clear statement of receipts and disbursements, not a mixed-up jumble such as has been given us this year. It is really worse than that. Like other governments, this government has fallen into bad habits. It really seems to be getting to the point where the government hardly regards a man's income as his own income at all. In fact, one impatient man said to me the other day, "Why don't they take the whole lot and then give each of us back a little?" Really, when you consider the effect of some of the taxation, I must say I think his impatient remark had something in it. It does seem as if the government was not only collecting enough taxes to carry on the business of the country, but as if they wanted, in their wisdom, to determine just how much should be left to the individual person. We have not yet got the planned sandwiches as they have in England. Yes, they have planned sandwiches in England. Instructions are issued as to how to make sandwiches. We issue instructions as to recreation, I understand, but we have not got the sandwiches yet.

In England, I believe, they also have undertaken to tell the housewives they can do the shopping better than the housewives. We have not got that here as yet. Nevertheless we have gone quite a long way. Really, this business of the government getting money and playing about with it in various ways has got to stop. If we do not stop them, they will go on doing it more and more.

Let us look at these surpluses. You will remember that in 1947-48 the government had a surplus of some $670 million. The minister explained to us that was not the whole show because there were other special receipts, as I think he called them, which enabled him to get the surplus up to $1,180 million by the end of that year. In the first nine months of the current year it was $609 million. There you have $1,200 million with which the government has been playing.

Let us look at that and compare it with some other things. Let us take $600 million as the annual surplus. It is interesting to note that the total revenue of all the provinces for the last year for which I can get statistics, 1946, shows their revenues as $450 million, $150 million less than this little pin money with which the government has been playing. If you take $600 million, you will find that it works out to about $45 per head for the people of Canada. If my simple arithmetic is correct, for a family of five, that means $225.

Since 1939, the dominion tax has gone up from $38 per head to $198 per head which would mean $990 for a family of five. It is wise to remember that, while the dominion per capita tax has risen, municipal taxes have happily stayed put.

This conception of large surpluses is a kind of new conception of government financing. Philip Snowden, only a few years ago, said that any government that found it had half a crown more than it needed for its expenses was guilty of getting money under false pretences. That may be a little extreme. I think extreme leftists like Snowden are always inclined to be a little more extreme than those of us who go down the middle of the road.

In this house some forty-eight years ago, Sir George Foster, speaking on the budget, quoted from a Liberal minister named Mills. This Liberal minister, for once, was a sensible man. Mr. Mills was referring to a surplus which had occurred. I imagine it was

about the size of the half crown to which Mr. Snowden referred, because in those days they would argue for a whole summer afternoon about a few thousand dollars. Speaking about his opponent, Mr. Mills said:

> He boasts of a surplus. I say a government is not entitled to a surplus. There is no stimulus to economy when a large surplus remains in the hands of the government.

I am not going to go as far as Philip Snowden, but I think it is true that when governments get a large amount of money in their hands, they are inclined to spend those moneys rather easily. It makes benevolence so easy.

There is a little incident I am going to give you concerning a million dollars. We know that to the people across the gangway a million dollars does not mean very much. The Minister of Trade and Commerce (Mr. Howe) said that, and I am glad he is not here tonight because I have quoted that remark before when he was here, and I know he does not like it. But in the supplementary estimates last spring provision was made for $500,000 to uproot some of the fruit trees in Nova Scotia. I understand—and I say this on the strength of information which I have always found accurate before—that actually the amount spent on that project up to date is $1,500,000. The government most kindly has found an extra $1 million. I do not know where they obtained the authority. I checked the supplementary estimates today and the amount shown there is only $500,000. But with $600 million at their disposal, how are they to be careful with $1 million? They say, "Oh, well, that is $1 million. There is $599 million left."

Mr. Gardiner: Would the hon. member like to know the reason for that?

Mr. Macdonnell (Muskoka-Ontario): Is my arithmetic wrong?

Mr. Gardiner: No. The arithmetic is right. But the provision was for the pulling up of 240,000 trees and the pulling was to have taken three years. But it was found that the trees could all be pulled in the one year.

Mr. Macdonnell (Muskoka-Ontario): That is the very point I am making.

Mr. Rowe: Most of them were pulled in Digby-Annapolis-Kings.

Mr. Macdonnell (Muskoka-Ontario): I am grateful to the Minister of Agriculture, because that is the very point I am making. The government have a great deal of money and do not need to pay any attention to what is in the estimates. They do in one year what is supposed to be done in three. I am grateful to the minister, as I say, for what he has said.

Mr. Gardiner: It is a very good job, as the hon. member will find when we get through.

Mr. Macdonnell (Muskoka-Ontario): I am interested to observe, Mr. Speaker, that this is just a joke to ministers opposite. They are taking our money, without any authority, and spending it; and when we point that out to them, they say "Well, it was worth doing." I am not objecting to the trees being taken up. I am objecting to our money being spent without any authority.

I should like to go back to the budget speeches of the last two years and bring to your attention, Mr. Speaker, for a moment or two, what I call the "surplus mind" of the Minister of Finance. First of all, I should like to go back to 1947, two years ago. At that time the minister told us that he had a surplus of some $352,000,000. Then he really corrected that by saying that there had been special receipts of $372,000,000, I think, so that the surplus was really no surplus at all. But nevertheless the minister, for reasons that I shall outline to you, made a reduction in taxes at that time. He was rather frank about it. As reported on page 2553 of *Hansard*, 1947, he said:

> Economic considerations alone would hardly justify immediate tax reductions.

Then he went on to say this:

> One must reach the conclusion that those who must bear them—

That is, the taxes.

> —are not ready to support income taxes on the present scale.

In other words, he just said it should not be done, but the income tax payer wants it, so therefore we shall do it. So taxes were reduced by about $160,000,000.

Then in 1948 the Minister of Finance comes along and says that he has a surplus that would gladden the heart of any Minister of Finance. He has not heard about Philip Snowden. He does not know that he has stolen this money from us. He says that the surplus would gladden the heart of any Minister of Finance. Nevertheless, he gives many reasons, and some of them do not sound so bad, for not making any tax reduction last year. The year before, when he had no real surplus, he made a tax reduction. But last year when he had a surplus which, by various means, he totted up to about $1,180,000,000, he made a tax reduction of some $60,000,000. He explained there should not be any tax reduction then and gave a great many reasons for that. He talked about inflation among

other things. One always talks about inflation when in doubt about other things. He also talked about cyclical budgeting, and I shall come back to that in a moment. He entirely ignored some of the suggestions that were made to him by those on this side of the house to the effect that with this big surplus he might have given a little relief to those in the low-income brackets. I myself suggested that some relief might be given. We calculated as well as we could that it would have cost about $125,000,000. But although we had a surplus which, as I say, he totted up by various means to $1,180,000,000, nothing could be done. We suggested a little easement on small companies so that small companies could become big companies, so that they would get a chance to increase enterprise and increase production, which we want. But no; the Minister of Finance would not listen to that suggestion at all.

I just want to make the point that in 1948, when we had a surplus of almost four times as much as the year before, we had no reduction.

Now we come to 1948-49, and in the first nine months of that year we have a surplus of $609,000,000. The minister says sometimes that it gladdens his heart, and sometimes it does not seem to gladden his heart so much. It is what I call a kind of concertina surplus. Sometimes he pulls it out to make it look big and at other times he squeezes it in to make it look small. Recently he has been squeezing it in to make it look small. He points out—

Mr. Sinclair: When I hear the hon. member quoting Philip Snowden—

Mr. Macdonnell (Muskoka-Ontario): I wonder if I could have a little silence from the hon. member across the way.

Mr. Speaker: Order.

Mr. Macdonnell (Muskoka-Ontario): The minister explains that he has this surplus but he says, and I ask hon. members to listen to this, that this surplus constitutes the principal source of cash for financing large demands upon our cash reserves over and above the regular budget expenses. I think it is desirable to realize what is going on. The government has hundreds of millions of dollars which they are using not for ordinary budget purposes but for all kinds of other purposes.

An hon. Member: By-elections.

Mr. Macdonnell (Muskoka-Ontario): Let me just give one example. The minister says they spent $275 million to increase the assets of the foreign exchange control board. In other words, they used $275 million of money collected from the taxpayers for the purpose of these United States assets which, I suppose, are the premier security in the whole world and for which they could easily have obtained the money in other ways. In addition, another $140 million was spent partly for the purpose of the security investment fund, this highly mysterious fund which has now risen to some $600 million. That is another way in which the government plays about with our money.

This whole business reminds me of a kind of arithmetic question we had when we were children at school. I am sure all hon. members had it. You remember the cistern that had running into it a pipe which would fill it in two hours, and other pipes running out which would empty it, one in three hours, and another in four hours, and so on. We were required to figure out how long it would take to empty or fill the cistern. That question would be all right here if you had one pipe running in, which would be taxes, and another pipe running out, which would be outgo. But here we have the foreign exchange control pipe and the security investment pipe, and so on. They are all running out, and nobody knows where they are running to, least of all the government, in all probability. We therefore just have this thing all jumbled up so that the ordinary citizen has not the slightest idea of what is happening.

I now want to say a word about another thing. Whenever the minister runs out of reasons for this huge surplus, he is asked to fall back on cyclical budgeting. There is such a thing as a proper plan of debt reduction which every sensible man would approve; but that is totally different from crystal gazing, from trying to look years ahead and decide that in this year you will collect several hundred million dollars more than you need because four or five years from now you may be four or five hundred million dollars short.

The Prime Minister stepped into this, and he invoked the name of Mr. Ilsley, whom we all here respect very greatly. Mr. Ilsley, as a good Baptist, had gone back to his bible. He had gone back to the story of Pharaoh and Joseph, to the fat kine that ate the lean kine. My Presbyterian friend over there will know all about this and I hope others do. All hon. members will remember that this was a dream.

Some hon. Members: Oh, oh.

Mr. Macdonnell (Muskoka-Ontario): This was Pharaoh's dream and of course Joseph interpreted it. I am quite prepared to believe that the Minister of Finance (Mr. Abbott) can have dreams, but I want to know who is to interpret them, because it makes a very great deal of difference.

Mr. Sinclair: Didn't that dream come true?

Mr. Macdonnell (Muskoka-Ontario): Oh, yes; that dream came true. I am glad to see that the hon. member for Vancouver North is listening. Have you the bible there?

Mr. Sinclair: Yes.

Mr. Macdonnell (Muskoka-Ontario): Good. I am saying that if we could be sure that we had someone who could interpret those dreams as well as Joseph did it might be all right. I am not sure that we would get along so well in these days.

Mr. Rowe: Does it say anything about oleomargarine there?

Mr. Sinclair: No.

Mr. Speaker: Order.

Mr. Sinclair: You would not know much about it.

Mr. Macdonnell (Muskoka-Ontario): I am glad that I have everybody interested in this and that they are all taking part.

Mr. Knowles: It is becoming a coat of many colours.

Mr. Macdonnell (Muskoka-Ontario): The coat of many colours is not in this. That is another story.

Mr. Sinclair: That is Tory leadership.

Mr. Speaker: Order.

Mr. Macdonnell (Muskoka-Ontario): Tonight I intend to stay well within my time, and I would ask you, Mr. Speaker, to get me a little quietness if you will.

As we look back over the last two years and try to take stock of $1,200 million, I think it is a serious matter. It is too bad we have been laughing about this because it is a serious matter. As we look back, in spite of all these reasons that the Minister of Finance gave, which sounded so good—I can see him working over this; I wish he were here now to give us some more—it is perfectly clear that the real reasons that were interesting were political reasons. The cycle they had in mind was not an economic cycle; it was a political cycle.

I have been reading the minister's speech. It was such a good speech. He worked so hard at it. He read pages and pages giving us reasons. I can think of some that were contradictory. At one time he said it was because they had underestimated. Then he said that if they had not taxed that way it would have gone higher. I say the reason that he did not give a reduction in taxes in 1948 is that that year was not an election year. We were going to wait until 1949. We are now in 1949, and as far as I can understand from various things that the Prime Minister and others have said, all the pollsters —though they are now a discredited lot—are anticipating that 1949 is going to be an election year. It looks to me as if they are going to be right.

If that is so, what I want to say is this. It may be that the political cycle has turned up the number in this revolving wheel that the minister and his assistants surveyed so carefully. But I think that the people of Canada are entitled to have their taxes this year assessed on a proper basis, on an economic basis and not on a political basis. They are entitled to ask that their taxes be levied on the basis of what is necessary to run the affairs of this country for the next year, and not to run a lot of enterprises which the government has become interested in and on which they spend a few hundred million dollars here and a few hundred million dollars there.

It is quite true in a general way that if the minister were here he would say that the various projects were mentioned in his speech a year ago. That is quite true. Nevertheless it has nothing to do with the ordinary principles of budgeting. It merely confuses the ordinary man on the street and I say it is time we simplified this situation. It is time that we put this thing in such a way that the ordinary man can understand it. When the budget comes down this year it should have a very substantial reduction. I say that the people of Canada should see to it that that reduction is on a proper basis. I do not believe that the people of Canada, who have had the government's hands deep down in their pockets for years now, unnecessarily, are going to be unduly pleased if those hands are withdrawn just such a little way but still kept pretty deep down.

Mr. Warren: May I ask the hon. gentleman a question?

Mr. Green: You are too late.

Mr. Warren: Will the hon. member not agree that the average man on the street might be pleased with the knowledge that we are endeavouring to pay honest debts?

Mr. Macdonnell (Muskoka-Ontario): Yes.

Mr. Warren: Does the hon. member believe that it is a good thing to pay one's debts?

Mr. Macdonnell (Muskoka-Ontario): I said that, yes. Why did you not listen to me? I made a good speech on that.

Mr. O. L. Jones (Yale): Mr. Speaker, I feel it is the proper time for me to follow the hon. gentleman who has just spoken. He has been talking in thousands and millions of dollars, and I am going to talk of the commodities which make these things possible, namely, agriculture. I am going to point out that I

come from the riding of Yale. It may not mean a great deal to some of you, but Yale is one of the finest fruit producing ridings in the dominion. It comprises a couple of valleys, the Okanagan and the Similkameen. It has been seriously suggested to me by several people in the riding that the name of Yale should be changed to include Similkameen or Okanagan, one of those, if not the two names. The Okanagan would be more in keeping with the riding because Yale itself is a community wholly outside the riding and has no connection with it.

I shall confine my remarks mostly to local matters, but in doing so I shall only be doing justice to a riding which has been neglected for the last eighteen months or so through not having a member, and in the last session having one for roughly two weeks of that time.

During the last session events took place which affected the welfare of that riding probably more than any other riding in this country. I refer to the Geneva pact, which affected apples. During that period we lost the British preference, and also during that period the British austerity program hurt the fruit industry. Freight rates were increased, costing our fruit industry in the valley approximately $1,000,000 in freight alone. Added to these troubles, we had flood conditions, and that is still with us. All of these things may be ordinary events in the economy of Canada but to us in the Okanagan they are major events, and that is why I wish to deal with them.

Our fruit industry is a major event, and I should like to point out to you, Mr. Speaker, the marvellous growth that this industry has made in the last few years. In 1941 our production of cherries, apricots, peaches, plums, prunes, pears and apples amounted to $7,175,000. In 1946 it had increased to $24,999,000.

The plight of the fruit industry in the maritimes has naturally caused us a great deal of alarm. Stories coming from Nova Scotia, where trees have been pulled out, and the conditions reflected in the talks in this house have naturally caused us alarm. I am going to make one or two suggestions that would materially strengthen our position economically and avert such a calamity before it overtakes us.

First of all, I should like to outline briefly the history of the fruit industry. I shall not go back to the days when we had to sell our fruit at twenty cents per box, to the days when the fruit grower was exploited to such an extent that he did not get enough from the sale of his fruit to pay for his freight. Those were the days of private enterprise, but we are now operating under co-operative methods of production and sale. I hope that those other days are gone forever.

The production of fruit in British Columbia started in a small way at the beginning of this century in an effort to supply the four western provinces. Production increased more rapidly than consumer demand in those provinces. At that time there were no cold storage facilities. Then production began to disturb the available markets toward the end of the great war, and shipments to Great Britain were started in an effort to supply a high-class product. Tremendous investments were made by the growers in order to produce the varieties that were wanted in England. They took out old trees and replanted new ones. In 1932 the Right Hon. R. B. Bennett, who was then Prime Minister, and his associates, intimated that the British Columbia fruit industry should feature the production of apples that were suitable for the British market. Following that intimation the industry planted new varieties and increased cold storage facilities. The fruit was well packed and was produced under the best of conditions.

The industry has grown to the point where we are fast approaching the ten million box stage of production. In 1946 our production was 8,800,000 boxes. The pre-war market in the United Kingdom had been developed to take about 50 per cent of our apple production, which was made up of sizes and varieties not acceptable to the Canadian and United States markets. The British housewife wanted a small apple of a particular variety.

The uncertainties of the export trade due to conditions imposed by the war were partly overcome by an increased market demand in Canada. The Canadian worker and the farmer were able to get more apples than they normally could. However, today we find ourselves without the British market, when the industry has been geared to that market for 50 per cent of its product, which is suitable only for that market.

Under these conditions we in the interior of British Columbia feel that we are entitled to special consideration. The British people want our Canadian apples, but a shortage of dollars has denied our apple producers that market. Other member nations of the commonwealth and other countries in the sterling area as well as countries without the commonwealth are supplying the British market with apples. We fear that a prolonged absence of Canadian apples from the British market will mean that those people will develop a taste for other apples and that once again we will have to fight in order to be able to enter that market and have our product accepted by the British people.

In view of the fact that British people are buying apples in other countries, I urge the government to take steps to review the situation, particularly with regard to the exchange difficulties. I submit that when the people of one country desire a commodity produced in another, a commodity which that other country has in abundance, ways and means should be found to carry out some form of commodity exchange to their mutual advantage.

This would not call for the setting up of an export-import board, because we have already established a corporation that could do this work very nicely. Chapter 40 of the statutes of 1946 provides for the setting up of the Canadian Commercial Corporation, and section 4 reads:

> The corporation is established for the following purposes:
>
> (a) to assist in the development of trade between Canada and other nations, and
>
> (b) to assist persons in Canada
>
> (i) to obtain goods and commodities from outside Canada; and
>
> (ii) to dispose of goods and commodities that are available for export from Canada.
>
> (2) The corporation shall comply with any general or special direction given by the governor in council or the minister with reference to carrying out its purpose.

The Prime Minister (Mr. St. Laurent) mentioned that the continuing committee on trade exchange is now sitting in London, and perhaps that body could carry out this work. I have stated that 50 per cent of our market is in Great Britain. I feel quite sure that by approaching the problem on the basis of exchange or barter the difficulties of marketing this 50 per cent of our production could be overcome. Great Britain has already approved that principle because she has signed a pact with Poland providing for barter and exchange. If the Canadian government could get into the same frame of mind and accept the barter principle in carrying on their negotiations with Great Britain we could get rid of some of our surplus fruit.

We could sell some of our fruit and berries from the Fraser valley to the British people. If they were not ready to exchange goods, our fruits and vegetables could be converted into sterling, which could be frozen in England. Until such time as England was ready to supply the necessary goods, that sterling could be used. In the meantime the farmers and fruit producers of Canada could be financed by the government, who would have as a pledge the sterling payments which had been frozen in Great Britain. I am quite satisfied that that could be done.

There is another suggestion I am going to make. Probably I am quite green in political matters, but on reviewing the trade between Canada and the United States it has struck me that there are several commodities and articles that could very well be purchased in Great Britain. Our trade with the United States shows an adverse balance and by trading with England we could take up some of that adverse balance and place ourselves on a better footing. We could adopt the barter or exchange principle in trading with Great Britain and thus obtain many of the goods we now buy in the United States. I am thinking particularly of such things as sporting goods, golf clubs, and so on, which England manufactures, and quite well.

I should like to deal now with the domestic market for fruits and vegetables. The bulk of our fruits and vegetables are sold on the domestic market. There is no question but that the stabilization of that market does not involve foreign exchange or international agreements. It merely calls for a sound, sane, federal marketing act. I do not intend to enter into the details required in such an act. Competent authorities are available to do that for the department. I shall merely make one or two observations from the point of view of the fruit and vegetable producers.

Fruit in particular is a perennial crop and calls for long-term marketing. You cannot rotate fruit trees as you can other crops. Therefore you must regard it as a long-term crop which calls for a different type of rules to govern the conduct of its marketing and production. To some extent the production of vegetables follows the same pattern. Through the Canadian federation of agriculture the industry has submitted to the government a sample act in which they seek power to market their products in an orderly fashion. They seek to eliminate unfair practices in the marketing of their product. In normal times such a federal act would give producers more confidence in their industry, and would eliminate many of the present-day abuses to which both the consumer and the producer are subject. It would bring stability to an industry that has always been sensitive to the nature of its commodity.

The government has had this legislation under advisement for several years, and farmers are becoming impatient. A simple act is all that is required. I have a copy of a draft given to me by a farm organization, and they have asked that I include it in my speech.

It is suggested that the marketing act be in simple form but with all the teeth necessary to bring about orderly marketing. I read:

1. The purpose and intent of this act is to provide for the marketing and regulation of the marketing of any farm products that may be designated by the governor in council in accordance with the provisions of this act.

2. Whenever, under any law of a province, any board or agency has been established to market, or regulate the marketing of, any farm product, the governor in council may confer upon such board or agency authority to exercise in respect to interprovincial trade or export trade in such product, such powers similar to all or any of the powers provided by or under such provincial law.

3. The governor in council may make such regulations as may be necessary for the efficient enforcement and operation of this act, and for carrying out the provisions thereof, according to their true intent and meaning.

4. Every person who fails to comply with any regulation of the governor in council, or with any order, rule or regulation made by any board or agency pursuant to the authority conferred under this act, shall be guilty of an offence punishable on summary conviction with a fine of not less than $25 and not more than $1,000, or to imprisonment not exceeding three months, or to both fine and imprisonment.

They feel that such an act has teeth in it. It covers the object they have in mind, security for the farmer in marketing his own products within the dominion. The proof that farmers are ready for it and need it is evident from the fact that all provincial federations of agriculture, the Canadian federation of agriculture, the western agricultural conference, the Canadian horticultural conference, and many other bodies such as the British Columbia Fruit Growers Association, have already endorsed in principle legislation similar to that.

The Minister of Agriculture (Mr. Gardiner) knows the wishes of the farmers. That is apparent from what he told a gathering in Kelowna on May 17, 1948, as quoted in the Vancouver *Sun* of May 18, 1948.

Mr. Gardiner assured growers that his government was prepared to grant the federal marketing legislation required, and this would be done as soon as the government allows the present Emergency Transitional Powers Act to expire.

That is the very assurance the growers wanted. I was at the Chateau Laurier this last week attending a conference of the Canadian horticultural council. I was there shortly after they passed this resolution, and I was rather surprised. The resolution reads:

Whereas Canadian farmers face changing conditions with increasing costs of production and declining demand for many of their products;

And whereas the need for dominion marketing legislation is now more urgent than ever;

And whereas at a public meeting held at Kelowna, British Columbia, on May 17, 1948, the dominion Minister of Agriculture stated that the government was prepared to enact marketing legislation that would meet the needs of Canadian farmers;

Therefore be it resolved that the Canadian Horticultural Council register an emphatic protest with the Canadian government against the unreasonable delay in introducing marketing legislation, which legislation is now recognized by all main political parties as being necessary and desirable.

And that if unable to obtain from the government a definite promise that a satisfactory marketing act will be introduced at the earliest possible opportunity, the council insists upon being given valid reasons for the ignoring of the wishes of the farmers of Canada by failure on the part of the government to furnish them with a legal basis upon which the marketing of their products could be stabilized.

I believe that if agriculture can offer greater security to the people employed in it there is no doubt that many young people would stay on the farms who are now leaving them to go into our already overcrowded cities. But they feel they lack that security which is essential, and which could be given to them in part by the passing of a federal marketing act.

The Minister of Trade and Commerce (Mr. Howe) was reported recently as saying that industrial production last year exceeded agricultural production for the first time in our history. Canada has always been regarded as a food-producing country, but from his statement it would appear that a change is taking place. I do not know to what extent, but a change is definitely taking place in our status as a food-producing country. I was amazed to find that this trend has had tangible results in some of our international trade. I had occasion to secure certain statistics from the Dominion Bureau of Statistics regarding trade with Australia. I was amazed to find that trade with Australia amounts to total exports of over $38 million and total imports of about $25 million; but all of the imports from Australia are agricultural products and all the exports from Canada are manufactured goods. To me that indicates the trend of the change that was referred to by the Minister of Trade and Commerce.

I should like to deal briefly with another matter, believing as I do that the British market is only a temporary loss, and that a federal marketing act will be introduced, both of which events would not only bring stability to our industry but make it possible for us to consider its extension as well. I believe that steps should be taken now to protect the interests of the Okanagan and Similkameen valleys. The Okanagan regional advisory committee have been studying the resources of this district for several years. They are of the opinion that the two chief resources upon which the population must depend are irrigable land and hydroelectric power.

Both of these resources are complementary to one another. They have given all our other resources a very low rating. Their present concern is with the damming of the Arrow lakes, and the materials to be used in the con-

struction of the proposed dam. That is what is causing them worry. According to my information, owing to the cold winter, water supplies are drying up in the state of Washington, and agitation has begun for storage of water in the Arrow lakes, the interests to be served being primarily those of the United States. So far the press items are limited to a proposal for an earth dam near Castlegar or Syringa.

No mention has been made of any power development. It has been said that a subsidy of several millions would be paid the provincial government of British Columbia for the storage of the water. I have no quarrel whatsoever with that; all I ask is that any storage dam that may be constructed should be built of reinforced concrete or some similar material and so designed that in future it may be used for the development of hydroelectric power. May I also suggest that the Okanagan interest in this project be kept in mind, especially during the period of technical studies that precedes design and construction, and before the international joint commission which is now considering the proposal.

At this time I should like to place on record for future use some reasons why the interests of the Okanagan and Similkameen valleys should be protected in this proposed development. The figures I am going to quote were supplied by the regional planning board I have mentioned, which was set up with the approval of the provincial government at Victoria. In the area I am dealing with, commonly called the irrigation area, there has been an influx of nearly twenty-one thousand people in the last six years; and this movement continues unabated. This has caused a high demand for our limited irrigable land, causing a sharp rise in prices. Canada will continue to grow and our particular district, with its fine climate, will always attract its quota of newcomers. While our climate probably will prolong their lives, it will not provide a living unless they have the land as well; and we are looking to the future and are anxious to meet this need, and to provide the means whereby our people can live under healthy conditions and at the same time maintain a high standard of living.

Our present limited land cannot carry our population. We must enlarge our irrigation projects and bring new land under water. At present the land is mainly irrigated by gravity, with some small pumping schemes. Water is supplied for a total irrigated area of 44,897 acres. I need not give the details as to how that is made up, but the bulk is 28,037 acres of fruit trees. The gravity water is not available for 23,421 acres of fruit and vegetable land and 13,500 acres of mixed-farming land in this region. That is an area practically equal to that now irrigated, which now provides a high standard of living for all the people living there. Therefore we need a policy based on power to supply water for 36,000 acres, at a cheap rate.

According to a survey it has been found that without irrigation it takes approximately fifteen acres to support one person; but when the same land is brought under irrigation and intensively farmed, as in the Okanagan, four-fifths of an acre will produce a good living for one person. So these added 36,000 acres placed under pump irrigation could support a population of at least 36,000; and we could also develop our dairy industry to meet the demands of that increased population. I have a table showing in detail the lands comprising the 36,000 acres I have mentioned, compiled by the bureau of post-war rehabilitation and reconstruction. With your permission, Mr. Speaker, I should like it included in *Hansard*, rather than take up the time of the house in reading it.

The Acting Speaker (Mr. Golding): Is it the pleasure of the house that the hon. gentleman shall have permission to place the table on *Hansard?*

Some hon. Members: Agreed.

Mr. Jones: The table follows:

	Acreage	Average Pumping Lift
Similkameen Valley:		feet
Cawston Bench	1,426	110
Okanagan Valley:		
South of McIntyre Bluff	600	450
South Kaleden	500	400
North Kaleden	100	400
Penticton I.R. Cutoff	750	500
Westbank I.R. Cutoff	259	500
Westside (Stevens Property)	1,200	500
Okanagan Mission	400	120
McKinley's Landing	86	100
Carr's Landing	250	250
Mission Hill	1,500	300
Grandview Bench	3,000	200
Salmon Arm (present project)	4,000	300
Salmon Arm (Potential)	4,300	500
Bailey Property (near Vernon)	800	300
Thompson Valley:		
Tappen-Sorrento (Lake fringe)	500	200
Pritchard	3,600	250
Pump Scheme No. 1, Kamloops	150	50
Total	23,421	286 Av.

Mixed Farming Land Areas, Large Farm Units Requiring a Low Water Rate

	Acreage	Average Pumping Lift
Okanagan Valley:		feet
L. & A. North Vernon (Clay)	500	100
Armstrong clays	8,000	100
Thompson Valley:		
Tappen-Sorrento Clays	5,000	200
Total	13,500	133 Av.

Total area that requires pumping: 36,921 acres.

During the war some of these lands, particularly the government lands, were frozen in the interests of veterans, but there are still no veterans on them because there is no water. Beyond a few preliminary surveys of soils and water supplies, no actual development of any major irrigation project has yet been completed. Today we have a market for the products of from five to six thousand acres of canning crops. We have the canneries and the facilities for packing as well as the markets; but we have not the irrigated land to produce the crops. In addition to this, eleven irrigation districts administering some 15,261 acres report an insufficient water supply; and of course the yield and quality of their products is reduced accordingly. They, too, need power for irrigation.

Of course the cost of power is a limiting factor in determining how high it is economical to pump. In the list I have just submitted is shown the height of pumping required, which averages 286 feet. One large grower, Mr. J. W. Hughes, who is located just outside Kelowna, is already pumping some 450 feet on a high-priced crop, and finds it profitable. For the Columbia basin project they will pump 280 feet at Grand Coulee dam, at a power cost of half a mill per kilowatt hour. At Foster creek, down the Columbia from the dam, it is proposed to pump 600 feet with power at between one-half and three-quarters of a mill per kilowatt hour. Current rates in the Okanagan of $4.50 net per horsepower per month represent 6·94 mills per kilowatt hour, as compared with the Grand Coulee power cost of half a mill.

I realize that power developed for irrigation alone would leave the power plant without customers during the winter months. Therefore I suggest that we are ready for vast industrial development to balance our economy in the Okanagan and take a great deal of the load for the winter months. We are also confident that the West Kootenay would purchase our surplus. Already they are purchasing a small surplus from Princeton, and some from the hydroelectric power in Vernon, and they supply the full power needs of C.M. & S. at Trail, so probably they would welcome that. As a means of developing a winter market for the energy used in pumping in summer I am going to suggest that it is feasible to heat homes by electricity. At least that possibility should be investigated. In the study of the Bonneville power administration, as reported in the bulletin "Pacific Northwest Opportunities", I find this statement:

> There is little question that for moderately well insulated homes, power rates of approximately one-half cent per kilowatt will prove definitely competitive with other fuels. Advantages are convenience, cleanliness and automatic control, which favour the use of electricity.
>
> Actual operating experience with fifty electrically heated houses at Longview, Washington, indicate that no unusual peaks are experienced. Accurate tests show that maximum demands with thermostatic control averaged 5 kilowatts per individual house.

Mr. Smith (Calgary West): Will the hon. member permit a very friendly question?

Mr. Jones: I will talk to you outside afterward, if you wish.

Mr. Smith (Calgary West): May I ask if the source of the water is the lake? I gather it is.

Mr. Jones: The main source of the irrigation project would be Okanagan lake; but there are other lakes, since the area we are dealing with is from Kamloops to the international boundary. In the table I have placed on *Hansard* is shown the location of the districts to be pumped.

Mr. Smith (Calgary West): In other words you want to irrigate higher levels?

Mr. Jones: Yes, levels that cannot be irrigated now by gravity.

The offer of a load-building rate opens the way to a wider use of electricity, but it may take years before the more expensive equipment is in common use. Given a rate at which electricity can compete with other fuels for cooking and heating water, the average man is prevented from taking advantage of the favourable conditions by the high cost of equipment and the terms of sale. I suggest, therefore, that a policy of low-cost financing of high consumption equipment should be introduced as a means of building the market for electricity. Before the war the United States government loaned money at around three per cent interest for this kind of financing. This enabled retailers to lower service charges and thus encourage sales. A similar policy would speed up conversion to electric cooking and water heating in the Okanagan region.

These lands, I might point out, are amongst the wealthiest untapped resources of the Dominion of Canada. The increase in population of our Pacific coast cities and the prairie provinces in general will increase the demand for our fruit, vegetable and dairy products. The interior of British Columbia is the logical place to produce these products, not in California. We are not asking the government at this time to develop a hydro-electric project, but asking them to protect the future interests of the Okanagan and Similkameen people by including their future power needs in any proposed plans for the development of the Arrow lakes project. We

are asking that any proposed dam provide adequate facilities for hydroelectric development.

When our marketing difficulties are overcome, when we have first-class arrangements for the barter or exchange of goods with other nations, then we can quickly develop that land to give you some of the finest fruit and vegetables in the Dominion of Canada.

I have been considerably worried over the attitude of the government to the flood conditions of last year, plus the possible flood conditions of the coming year. The commission determining the best course to guard against future floods in the Okanagan made its report some time ago. The cost of protection, I understand, is in the neighbourhood of $1,700,000. The government has been requested time and again by the people, probably driven by the fear of another flood, to start this work. To date, a year has gone by and the condition in which we find the Okanagan lakes and rivers is worse than it was a year ago before the floods took place. The creeks are silted up, the boulders and rubble are still there. Certain of these creeks cannot possibly take care of the resultant runoff from the heavy blanket of snow which lies on the land surrounding our lakes.

The dominion experimental station itself lost some land in the flood of last year. There is a good chance it will lose a great deal more this year, not only by erosion but owing to the action of the flood in Trout creek. Some of the experimental station buildings are in direct line with the flow of water down the creek if the creek is unable to follow its present channel. I assure you the creek cannot possibly follow its present channel, for the reason that there is much low-lying land in the surrounding area.

I have just one other matter to which I should like to draw the attention of the house. I should like to make an appeal for the old people. I am going to ask you to consider the high cost of living, which hits the old people possibly more than any other group in Canada. I do not know whether you have old people in Ottawa but, if you have, I do not know how they pay rent. The old people find it difficult to pay rent in British Columbia. I am sure that if there are any old age pensioners living in Ottawa they have not much left with which to buy food.

Speaking for the old age pensioners of British Columbia, where possibly we have a higher cash pension than any other Canadian province, I find that even in that province the old people are having a grim economic struggle. They can afford no luxuries. I shudder to even contemplate what their life is like in non-pension bonus provinces where their maximum income is $360. The greatest hardship in British Columbia is where two old people have to live on one pension. This should be eliminated by the granting of an adequate pension so that two people could live decently upon it.

It is my belief that the means test should be abolished and the pension should be paid to everybody as soon as they reach a pensionable age, just the same as the children's allowances are paid, thus removing the stigma attached to the payment of the old age pension. The pension should be payable on the date of the application. I find that a lot of old people get muddled about the form. There are many documents which must be produced. Sometimes there is a period of two or three months in which these documents are brought from England. The pension starts only at the date it is registered in Vancouver. I suggest the pensionable date should commence on the date of the first application.

This is not a party issue. I believe every member in this house is sympathetic to the proposal to increase the pension and to lower the age. We have financed two wars without any difficulty and, if one is to judge from the sentiments expressed in this house, we are prepared to finance a third war. The cost of increasing the old age pension is only a fraction of the cost of war. Really, it is a matter of whether we are willing to do it or not.

We face a serious problem in connection with men who are over forty-five years of age. I have here a letter from a man who has just turned forty-five. About two years ago the government told the municipalities to try to find work for men over forty-five to ease the pressure on unemployment insurance and so on. This man about whom I am speaking is a man qualified for the postal service. He left the postal service after twenty years' service and lately applied for re-admission. He was told he was over forty-five years of age and too old to get the job. I bring that to your attention because the government itself must set the example and find work for people over forty-five, and not leave it to others to do it.

The Acting Speaker (Mr. Golding): I draw the attention of the hon. gentleman to the fact that his time is up and he cannot continue without the unanimous consent of the members.

Some hon. Members: Let him continue.

Mr. Jones: These people are not seeking charity. They are the people who have built up this dominion. They have built up what we have today, what we are enjoying now. Many of these people lost what they had

built up during the depression and during the days of high taxation. I know of one man who was reputed to be worth $200,000 twenty years ago. He invested in railroads, mines and real estate, all the things in which a man usually invests. He lost it all. Today he is dependent upon the old age pension. His money is gone. Many of these old people have contributed their own efforts, their own work plus their money to the building up of this dominion during their lifetime, just as this man did. We are not granting charity but justice to these old people. On their behalf, I am entering a plea.

Mr. Maurice Lalonde (Labelle): Mr. Speaker, the speech from the throne is characterized by the magnitude of the subjects with which it deals, by a cohesion of concrete proposals which constitute a well drawn up legislative program. Other colleagues in a masterly way dealt with and authoritatively discussed national problems which I will not attempt to consider immediately, but which I will reserve for a later date. I will confine my remarks to the North Atlantic pact and to certain local problems.

I remember the numerous protests which arose in this house in 1937 when the federal government of that day asked for a few additional millions for re-armament purposes. It cannot be denied that some of us in all good faith saw therein a statement of imperialist policy. Others thought that it was a foolish race towards useless re-arming. Unfortunately, the tragic events of 1939 proved that the Liberal leaders of that time were right. Together with other free nations of the world Canada was dragged into the vortex of the second world war. It then appeared that we had not spent foolishly the money we had put into re-arming. At the present time, Mr. Speaker, we face a similar situation.

War did not kill evil. War did not kill nazism. War did not kill communism. We have not found yet the true peace formula. The world is divided into two different political ideologies, communism and democracy, and some day one or the other will have to prevail. Is war imminent? Only God knows. Only one fact remains certain: the old conflict between the ideologies remains. The strife between good and evil, which is as old as the world, will disappear only when the last suns have ceased to shine. Attempting to unify the whole of humanity under a single political unit would be aiming at Utopia. Those governments which are aware of their responsibilities must lay their cards on the table and reveal to their citizens the truth as they know it through the privileged position they occupy. However brutal these facts may be, we must know them.

I wish to thank the Prime Minister for revealing completely and truthfully the position Canada occupies among the nations, together with the magnitude of our commitments toward the other free nations of the world. Some in my province were alarmed when they heard this. We are not quite accustomed to politicians' frankness. We will therefore be a party to the North Atlantic pact. This commitment bears several meanings. It shows that our country has attained, through its efforts, a high rank in the international sphere. It means that real progress has been made towards our total constitutional independence. We thus assert ourselves as a military and economic power of the first order. By adhering to this pact Canada takes its rank among the great nations of the world.

It would indeed be impossible to secure unanimous consent with regard to such a question. With their old mentality of isolation, a loud minority in the province of Quebec will surely criticize the north Atlantic pact. One Rene Chaloult, trying to mimic my predecessor in this house—and God knows, Chaloult does not measure up to Bourassa's knees—shouts his noisy ultra-nationalist principles in the chamber of the Quebec legislature. But he who opens his eyes and faces the hard facts and the unavoidable truth will better understand the tragic scope of his duties than he who, through political design and with an eye on election results, conceals from his constituents the only meaning of the obligations they have assumed. And still we should remember the teachings of these last few years.

Can a member of parliament who knows his duties advocate seriously, and without wincing, that Canada remain totally isolated among the free nations of the world? Can we imagine that nowadays an honest public man can go back to his constituents and make the same promises and take the same pledges concerning our external policy which we made and took with sincere statesmen like Lapointe, King, Rinfret and Cardin? Can we still believe that events will be shaped by men and that men will not be led by events?

The other night, when I heard the ineffable member for Pontiac repeat the same worn out, isolationist stories which we heard on the hustings in 1935, I became convinced that the hon. member must have been sleeping during these last thirteen years and had not yet awakened to the thunder of the frightful war which upset the world.

Mr. Speaker, whether Rene Chaloult likes it or not, Canada is changing. Whether the isolationist school likes it or not, Canada has become of age. Whether our ultra-nationalist

friends like it or not, Canada, owing to its providential position and the forces inherent in the very nature of things, is a great nation and as such must assume important duties and terrific obligations. No power in this world will prevent our country from climbing the road which will eventually lead it to constitutional independence. I am most upset when I see that those who protest against the importance of our international commitments are precisely those people who demand total independence for our country. How can they reconcile the total independence of Canada with the weakening of the obligations which are a part of the status of total independence? How can they stop the irresistible progress of events and repudiate the political evolution of our country during the last twenty-five years?

As I recall the events of the last years of the nineteenth century I think of the time when, under the inspiration of Sir Wilfrid Laurier, political liberalism was being properly defined; when, in a slow and gradual process of labour, the various constituent factors of Canadian political liberalism and of Quebec nationalism were being separated and shaped into different units; when, under the pressure of jingo traditionalism, the political theory of Canadian conservatism was being evolved, as dictated by protectionist interests of high finance; when after the first world war, under the leadership of Mackenzie King, the political life of Canada was beginning to free itself from colonial ties, and the independence of Canada within the British commonwealth was being proclaimed by the Quebec nationalist school led by Bourassa; when the Tory conservatism of Sir Robert Borden was sinking deeper in the old tradition of closer colonial ties; when, after the coup d'état of 1926, the Canadian people, at the request of Mackenzie King, were telling those advocating imperial solidarity that we were determined to tear loose from the colonial strait-jacket, in order to enjoy the privileges and freedom of free nations. When I think of all that, Mr. Speaker, then I realize that our constitutional evolution was swift and continuous.

We then had Westminster, which was the first test of our strength and the first important constitutional step towards Canadian independence. A Canadian signed our first treaties with foreign powers. In 1939, war was declared by the Canadian parliament, under its own authority, and Canada entered into this conflict of its own free will, without subservience to colonial ties. Bourassa himself, in his book entitled "What do we owe to Great Britain?", admitted that Canada must take part in any foreign war where the prestige of Great Britain and France would be at stake, as long as such a step be not dictated by the strength of colonial ties.

Then we attended international peace conferences, where Canada was brilliantly represented by statesmen like the minister for external affairs, the Minister of Transport and the parliamentary assistant to the minister for external affairs, and the hon. member for Lotbiniere, all of whom spoke on behalf of Canada, a free country, where free men live, a country which, in the short period of half a century, became an essential factor to the peace of the world.

We must admit, Mr. Speaker, that we are now paying the ransom of freedom, and a politician who would allow himself to be led by the fear of electoral results, and would neglect to raise the curtain of secrecy in order to tell the brutal truth to his constituents, would fall down miserably in the fufilment of his duties.

Do our opponents wish to ignore twenty-five years of history and continue to deceive the people of Quebec by leaving them under a sense of false security? Is it their intention to forget fifty years of keen struggles toward national independence, in order to satisfy a very small part of a backward public opinion, and for the advantage of an old-fashioned political ideology? After the frightful events of the last decades and the tragic and forceful lessons imposed upon humanity during the last ten years, I cannot admit, Mr. Speaker, that in my own province a person can so lack realism as to deny that it is necessary and urgent for all free democratic countries to unite for the defence of their common inheritance.

When I support the government on this question, I know that I am fulfilling an imperative duty towards my constituents. Far from being a hostile demonstration, the North Atlantic pact is rather the expression of a collective determination towards universal security. Russia slightly raised her iron curtain when she offered to discuss peace. Would she already realize that an alarmed public opinion is exerting pressure upon her people? Would she be aware of the importance of the coalition of free nations which she knows she will never be able to defeat?

The future alliance, Mr. Speaker, is already bearing fruits. Stalin offers to talk peace, he offers democracies a wavering hand, and I believe democracies should not accept Moscow's offer straight away. If we bear in mind the treasons and repudiations of solemn pledges, the repudiation of solemn signatures affixed to official parchments, will we believe that it is still possible to have faith in Russia

and her satellites? It is indeed interesting to recall the pacts which our enemies tramped upon from 1889 to 1939. The Hague conventions of 1899 and 1907; the treaty of Versailles, of June 28, 1919; the treaty of Berlin, August 25, 1921; the treaty of mutual security of Locarno, October 16, 1925; the treaty of arbitration between Germany and Czechoslovakia, October 16, 1925; the treaties of arbitration between Germany on one hand, Belgium and Poland on the other hand; the treaty of conciliation of June 2, 1926, between Germany and Denmark; the Kellogg-Briand pact of August 27, 1928, under which the signatories renounced war; the treaty of arbitration of September 11, 1939, between Germany and Luxembourg; the treaty of nonaggression between Germany and Poland, January 26, 1934; the guarantees given by Germany on May 21, 1935, to the federal state of Austria securing inviolability of its territory; the convention of July 11, 1936, between Austria and Germany; the German guarantees of January 30, 1937, April 28, 1939, August 26 and October 6, 1939, that the neutrality of the Netherlands would be respected; the conventions of January 30, 1937, October 13, 1937, April 28, 1939, August 26 and October 6, 1939, offering Belgium the same pledges and the same guarantees; similar conventions between Germany and Czechoslovakia, on March 11 and September 26, 1938; the treaty of Munich of September 29, 1938, the guarantees which Germany gave to Norway, September 3, April 28 and October 6, 1939, that the independence and sovereignty of that country would be respected; similar pledges to Luxembourg, April 28 and August 26, 1939; nonaggression treaties between Germany and Denmark, May 31, 1939; between Germany and Russia, August 23, 1939; guarantees which Germany gave Yugoslavia, October 6, 1939, concerning the neutrality and territorial integrity of that country; there you have, Mr. Speaker, so many scraps of paper which were torn up by Germany, so many lessons which we should not forget.

We will soon have the North Atlantic pact. Let us hope earnestly that the signatories of this pact will be sincere, since without sincerity no human convention can be effective.

(*Translation*):

Moreover, such a unification of the material strength of free nations is conclusive proof of the futility of international isolationism. I ask those who advocate the total independence of Canada on the world scene to suggest a definite formula for the participation of Canada in the bilateral benefits of trade agreements and for her withdrawal from bilateral commitments. I do not believe, Mr. Speaker, that we can always demand benefits from other countries without assuming ourselves the risks inherent in such deals. If the constitutional independence of Canada can, in the course of time, become a reality and attain its ultimate perfection, I submit that our country cannot at this time isolate herself in total independence from the world scene. We are now bound to the other free countries, and these must take into consideration Canada's influence in framing their foreign policy. Exposure to danger makes men wiser. The great human brotherhood finds in world events its most positive manifestation.

Mr. Speaker, I wish to deal, for the next few minutes, with certain local problems. Obviously, it is hardly possible, in the course of the few moments at our disposal, to analyse each and every one of the problems mentioned in the speech from the throne. I would like however to submit to you, Mr. Speaker, three problems affecting in particular the people I represent, namely, the tourist industry, forest protection and income tax. Other hon. members have already dealt with them in a much more eloquent fashion. Already these members have asked from the government a substantial reduction in the taxation of personal incomes of less than $3,000 a year.

A few moments ago, I heard the hon. member for Muskoka-Ontario (Mr. Macdonnell) express his amazement at the government surpluses. Mr. Speaker, it is evident that no Conservative government ever administered the country in such a way as to show a surplus. During all the time our friends opposite were in power they had nothing but deficits. They are therefore surprised when the Liberal government of today shows a surplus. The hon. member for Muskoka-Ontario (Mr. Macdonnell) resorted to arguments I would like to refute when he stated that the government was playing with its surplus. I am taking the liberty to remind him that according to official information which has been given to us by the Minister of Finance (Mr. Abbott), it was quite the opposite. The government paid the people's

debts by reducing the national debt by almost $3 billion, while paying such expenses as are authorized by the laws and statutes.

The hon. member was quite content to make statements without adducing any concrete evidence that these expenditures were illegal. The charges leveled at the Minister of Finance, the latter will refute much more ably than I could when he brings down the budget.

I wish to refer now to an important matter concerning Labelle county and the surrounding counties, located in the beautiful Laurentian region. I refer to the tourist industry.

According to official statistics, the tourist trade earned this country $166,354,000 in 1945 and, in 1946, $220,800,000. It is therefore one of our chief industries and one that should receive proper support from the authorities.

Right away, the Quebec Tories, who forever borrow misleading misnomers and hide under the cloak of the Union Nationale party, will state that the Canadian constitution puts the tourist industry outside the ken of the dominion government. Mr. Speaker, the Canadian constitution does not forbid the dominion government to co-operate with those who wish to do so. I am convinced that the present government is willing to spend the money required to help the tourist industry in our locality.

Mr. Speaker, my constituents have three means of livelihood: farming, lumbering and the tourist industry. May I therefore urge the dominion government to dig deep down in its coffers, even in its surplus, if possible, and promote the tourist trade in our district by building good roads, as was done from 1935 to 1937.

Mr. Speaker, I will support any legislation designed to help the provincial governments establish tourist guide training schools. The first question of any visitor to Canada is to ask if we have good guides to take him where game and fish are most plentiful.

We have, of course, specialists in this field, but I believe that such men would profit greatly if the Quebec provincial government, assisted by federal funds, could provide them with guide training schools where they would learn to perfect their trade.

Lumbering, the second largest industry of my county, must be protected at the earliest possible moment. Between 1938 and 1945, it brought this country hundreds of millions of dollars. If the house permits, I shall place on record a table showing that in 1945, this country produced almost 7 million cubic feet of lumber, valued at more than $133 million. The lumber industry is therefore one of those that deserves assistance, but, Mr. Speaker, it—

(Text):

Mr. Speaker: The hon. member's time has expired. Has he unanimous consent to continue?

Some hon. Members: Go on.

Mr. Casselman: Two minutes.

Mr. Lalonde: It will take only a few seconds, but perhaps it will take an hour to understand it.

(Translation):

Year	Quantity (Cu. ft.)	Average price per thousand cubic feet	Value
1938	634,954,194	$ 96.27	$ 61,125,628
1939	362,899,189	102.45	37,180,195
1940	559,035,364	109.20	60,948,570
1941	649,250,184	119.12	77,341,826
1942	698,334,208	136.12	95,060,441
1943	591,672,197	155.55	92,032,163
1944	653,989,310	175.72	114,918,046
1945	698,204,256	190.86	133,261,833

However, Mr. Speaker, I wish you could see the sorry spectacle the forests present from the air. Thousands of acres of wooded areas have been clear-cut, not unlike meadows shorn of their hay, and in the north of my constituency the forests are disappearing with a terrific speed. We find that logs must now be looked for at a distance of more than 50 miles from the mills in Mont Laurier while a few years ago we could get them a few miles away. I say, Mr. Speaker, that an emergency exists and that the dominion government should take immediate action with a view to helping the provincial governments to plant trees in sufficient number to ensure future crops.

The program forecast by the speech from the throne is one of those which call for approval.

It is national in scope. Let our forests be despoiled and in less than twenty-five years you will witness desolation instead of the prosperity of our people. Let our forests be despoiled and within twenty-five years there will be no more tourist business. Let our forests be despoiled and within twenty-five years there will be widespread unemployment.

I congratulate the government on taking this situation in hand. Mr. Speaker, the government will never spend too much on helping the provinces restore to our forests the life of which they are being depleted to satisfy the needs of trade.

I am happy to see my good friend the Minister of Finance (Mr. Abbott) in his seat. May I support the requests he probably heard already for tax reductions. It is imperative,

Mr. Speaker, that the government grant adequate tax reductions to white-collar workers.

I will not make so bold as to suggest a figure, being no mathematician, but I believe that if the Minister of Finance (Mr. Abbott) could see his way clear to grant white-collar workers and those whose income is less than $3,000 a year income tax reductions proportionately equal to the reduction in national debt, I believe that people would be satisfied. This would mean a decrease, if I am well informed, of approximately $100 million a year.

There is another project which I would like to submit to this house, that of assistance to municipalities. Before the war we passed a law enabling the federal government to lend municipalities money with which they could build waterworks, sewers and other local improvements. We were fortunate enough to benefit from this law in my district. It has helped us to alleviate unemployment. That is why, Mr. Speaker, I was wondering whether the government could not examine, at an early moment, the advisability of renewing these provisions. There now exists an incipient condition of unemployment. Admittedly it is not yet serious; still it is not impossible that, within a few months or a few years, we will be faced with real unemployment.

The coming economic readjustment cannot happen without some of us being hurt. Can anyone think of more beneficial legislation than one involving the spending of dominion funds on local improvements in our municipalities?

Mr. Speaker, in making those suggestions to the Minister of Finance (Mr. Abbott), I ask him to plead with his colleagues on behalf of the electorate so that this legislation may be re-enacted during the present session. If it has become obsolete, let us take the steps required so that by next spring our municipalities, especially the poorer ones, may benefit by it.

Perusal of the speech from the throne might lead to other considerations. However, I have nothing else to add tonight, except this final thought which has just crossed my mind.

As the years go by and men and things disappear, as we begin to grasp the true meaning of life and understand that men come and go but their achievements stand, we detach ourselves from the contingencies of human politics and consider only truth and reality. Who among us will be here, in this house, a century from now? No one. The coming generations will then be sending other Canadians to sit in these same seats and discuss other problems and follow other ideals. Though our names will be forgotten our achievements will stand and it is through them that our sons will judge us, because they will be eternal. Glory, prestige and human ambition will vanish as the echo of a lonely osprey's cry dies out on a peaceful summer evening over our Laurentian lakes. It is because I have a deep and burning faith in those things that I ask my fellow countrymen to tie up their names with works of Christian peace and of real progress which time will chisel in the rock of history, as an indelible memorial to those who will have served their country well.

(Text):

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I rise to speak on the amendment to the amendment. I do so at this time because this is the conclusion of my first full week in the House of Commons. In view of the fact that the motion which we opposed, but which was adopted by the house, will bring to an end temporarily, the debate on the speech from the throne, I think I should deal tonight with certain of the things that have been said during this past week, because I do not think it would be either desirable, or in fact appropriate, that they should be left unchallenged. I confess that I came here with a natural feeling of respect for the great chamber in which the nation's business is conducted. I had expected during the early days that I would be attending the sessions of the House of Commons to hear debates in keeping with the measure of responsibility that is supposed to be assumed by this house. I must confess that in the ten years I was in the Ontario legislature I did not in any one week hear, from the government ranks, or from elsewhere, speeches which reflected so little of a sense of responsibility as many of the speeches have during this past week.

A very considerable part of the time that has been devoted to debate by those sitting in the government ranks has been employed for a type of personal attack which, on the one hand, is a reflection on the members making those attacks, and which, on the other hand, does indicate a very flattering degree of attention to speeches I have made over a very long number of years. It is quite obvious that a good deal of effort has been devoted to an examination of those speeches. Of course, members may not be aware that this is not the first occasion on which similar efforts

have been made to do the same kind of thing. Really it is not in any way new nor in any way original.

There are some points that I should like to make in regard to the emphasis on consistency which was put forward first of all by the Prime Minister (Mr. St. Laurent), then in such a lordly manner by the new Minister of Justice (Mr. Garson), and also by others who have spoken. It is very interesting to listen to these lectures on consistency which perhaps invite an examination of the consistency of some of those who have assumed the role of high authority on this particular virtue. This afternoon we had one rather interesting example of that very thing. The Secretary of State for External Affairs (Mr. Pearson), throughout the major part of his speech, made a presentation of the Canadian position with which every Canadian will agree, and of which members of this house may well be proud. It was unfortunate that, perhaps carried away by the new sensation of being a member of the party he has recently adopted, he should have found it necessary in the middle of that very important and responsible speech to embark upon what was so manifestly a political interjection. He had this to say:

> There is, however, Mr. Speaker, a serious omission in the unanimity with which this matter is otherwise regarded in the house in that no single Progressive Conservative member has so much as mentioned the pact.

A little later he qualified that by saying he believed the hon. member for Vancouver South (Mr. Green) had referred to it in some way; then he went on to say:

> Why no reference of any kind to this very important measure which is forecast in the speech from the throne? Is this parliament not united in the objectives that we are seeking through this pact? Or are any of us playing politics with peace at this time?

It was very appropriate for him to make that remark, because unfortunately he was playing politics when he did so. The answer is given in his own remarks, at the beginning; these are his words:

> I assume there will be a debate on external policy later in this session and possibly a debate devoted more particularly to the ratification of the north Atlantic pact. Much of what I should like to say, therefore, in regard to external affairs generally will have to be reserved for those occasions.

That, Mr. Speaker, was precisely why I omitted to discuss—

Some hon. Members: Oh, oh.

Mr. Drew: —why I omitted to discuss—

Some hon. Members: Oh, oh.

Mr. Drew: That was exactly why I omitted to discuss a pact that is not yet before this house, a pact no member of this house has seen except the government, in fact a pact which it would be most improper to discuss until the Secretary of State for External Affairs (Mr. Pearson) has tabled it in this house. But may I say to some of those who are giving such striking evidence of their disregard for the business of this house that a subject of this kind is one that should be discussed with knowledge of the details, and hon. members opposite may feel quite certain that when that pact is before this house it will be discussed in a way which will leave no doubt about my stand or the stand of any other member of this party. And may I say to some of those who are making these strange and not very impressive sounds that, long before any of them were prepared to recognize that there were such things as international problems of this kind, my position was perfectly clear.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. May I suggest to hon. members on both sides that they must not interrupt the hon. gentleman who has the floor.

Mr. Drew: I want also to refer to another statement that was made this afternoon. Referring to a radio address by the Prime Minister (Mr. St. Laurent) last night in which a new statement of policy—which might well have been given to the house—was announced to the people of Canada, I asked whether that suggested that we were to deal with this very important question of amending the British North America Act during the present session and, if so, whether this was to be dealt with in consultation with the provinces. The answer was that it would not be dealt with without consulting the provinces, and that there was no possibility of dealing with it during the course of the present session because of the difficulty of the problem involved. Now I suggest to the members of this house, to those on the government side as well as elsewhere, that they ask themselves exactly why this statement was made last night if there is no intention of dealing with this very important subject during the present session. Was that just a political suggestion, with no intention of carrying it out? Let us see just what the position of the Prime Minister is in regard to meeting the provinces in conference. The other day when we were discussing the necessity of having the governments come together to deal with those problems which affect the people of Canada so seriously, the Prime Minister left no doubt that he did not believe we could have any general conferences between the

provinces and the dominion government with any hope of success. This is what he said, at page 83 of *Hansard*:

> The results there show that, when we have meetings with the provinces that are not full dress performances of the premiers, their ministers and associates, we do get effective co-operation and collaboration to the benefit of the general Canadian public.

Later he went on to say, at page 86 of *Hansard*:

> I am convinced that conferences of that kind, when there are elections in the offing, are stalemated from the start. There is no genuine desire at any of these conferences to deal with the various matters on their merits; and they were not dealt with on their merits. Since then on many occasions we have had meetings with representatives of the provincial governments, meetings with officials, and meetings even on the ministerial level, and have done things that have been for the benefit of the whole community. But when we have these full-dress provincial conferences, such attitudes are taken—and I will not say it is all on one side; there may be just as great fault on our side as on the other—that it is quite impossible to expect anyone who has his eye cocked on elections to do anything about the merits of the matter under discussion.

Let us see exactly what that means. The conference to which these remarks referred met on August 6, 1945, and the Prime Minister tells us there were elections in the offing in Ontario and Quebec. He seems to have forgotten that there had been an election in Quebec a very short time before, with results which perhaps were not entirely satisfactory to him. There had also been an election in Ontario just two months before, almost to the day, at which time the Progressive Conservative party was returned to power for a second consecutive time with 66 out of the 90 seats in that legislature.

We had a fairly satisfactory mandate to speak for the people of Ontario in spite of what was said by the hon. member for Spadina (Mr. Croll) last night. I may say that mandate was continued on a very satisfactory basis in June of this past year.

An hon. Member: What about High Park?

Mr. Drew: You know, Mr. Speaker, it is very interesting to hear references to High Park because the early part of this session was devoted to extolling the virtues of the right hon. member for Glengarry (Mr. Mackenzie King), who was hailed as one of the great examples of leadership of a political party. He holds the all-time record for having been defeated as Prime Minister in the various ridings in which he ran.

Mr. Sinclair: But never because of cocktail bars.

Mr. Drew: So, if I did avoid the necessity of a second election in High Park which appeared to be quite necessary, may I say that was the first occasion on which, as premier, I had had that experience. I still have to have it many times more before I equal the record of the right hon. member for Glengarry.

Mr. Smith (Calgary West): You asked for that one.

Mr. Sinclair: He was never defeated on cocktail bars; he was defeated on issues.

Mr. Smith (Calgary West): Sharply so.

Mr. Drew: Mr. Speaker, the statement that has just been made is a statement to the effect that, although a series of elections had just taken place in 1945 when the conference met, there was no hope of success because those attending that conference were not sincerely approaching the problem before them. Now that, Mr. Speaker, is a serious reflection upon every premier of every province of Canada, including the Hon. Angus Macdonald, the Hon. Mr. McNair and the present Minister of Justice (Mr. Garson).

Mr. Garson: Look at me worrying.

An hon. Member: He does not mind it as much as you do.

Mr. Drew: I will say this much, that the present Minister of Justice was preaching for a call during that conference and he has been called. This is a statement to the effect that these men, chosen by the people of their own provinces, were not meeting here with any sincere intention of reaching a solution of the problems before them. No statement which has been made here or elsewhere throughout this country more clearly indicates the reason that conference broke down, because the Prime Minister indicated he felt quite sure that was likely, and each delegate felt that in his own mind as well. Well, he cannot speak for the others, but he can speak for himself. He apparently left no doubt that he was not approaching this in such a way that he ever expected success.

Now the Minister of Justice, after having gone to the United States to find someone who had come here to get an official handout from those who give the anonymous statements on behalf of the government, and then getting as far away as Tasmania, challenged me to produce any statement which suggested I had not been responsible for the breakdown of the conference. Let me quote one witness who was not in Tasmania but was here in Ottawa at the time that conference was meeting in May of 1946. This is what he said.

> If this conference fails—then the responsibility rests squarely on the doorstep of the dominion government due to its attitude of uncompromising rigidity as expressed by the Minister of Finance.

That was the statement of Mr. Manning, the premier of Alberta, who, along with

Premier Macdonald of Nova Scotia, made statements which stand out in the clear and which constitute an extremely important record of the efforts of the provinces of this country, or most of them, really to reach results at that conference.

Mr. Garson: On a point of privilege, what I said in my remarks, as I recall them, was that the hon. gentleman, the leader of the opposition, should produce some statement of an objective and judicial character, meaning thereby someone not connected with the conference itself. Let him produce such, if he can.

Mr. Drew: What the Minister of Justice actually said was:

> I challenge him to do so—some judgment of an equally objective character—

Mr. Garson: Yes, equally objective.

Mr. Drew: Equally objective to a man from Tasmania. This house has it within its power, Mr. Speaker, to express an opinion that there should be a conference in which all the provinces can meet with the dominion government to achieve these results which can only be brought about by the various governments coming together. We have been told by the Prime Minister first over the radio—we might have liked to hear it in this house but that is the way we heard it—of the tremendous importance of being able to amend our constitution. Having been told that, we are told, first, that he has no intention of bringing that up during the present session and that, while he does believe he should discuss it with the provinces before he does anything about it, he has no intention of meeting the provinces at any time.

Mr. Rowe: He says it would be a waste of time.

Mr. Drew: Yes; he says it would be a waste of time.

Mr. Brunelle: That is what is happening now.

Mr. Rowe: I do not know what hon. members opposite are going to do now. One can almost see the handwriting on the wall.

Mr. Hartt: Stop your dreaming.

Mr. Rowe: The chickens are coming home to roost.

Mr. Sinclair: It is nice to see the hon. member for Dufferin-Simcoe (Mr. Rowe) here on Friday evening.

Mr. Rowe: I am sticking around to see what is going to happen.

Mr. Speaker: Order.

Mr. Drew: Mr. Speaker, I must say that there are times when I regret that there are in the chamber no loudspeakers connected with the broadcasting system of this country so that the people of Canada might hear how some people conduct themselves here.

Mr. Abbott: Television is what we want.

Mr. Drew: Since this matter has been entrusted to your care, Mr. Speaker, I hope that you will take this demonstration as a unanimous expression of the desire of hon. members to have loudspeakers, and an indication that they would welcome the chance to have their utterances conveyed to the public.

Mr. Abbott: Television too.

Mr. Garson: Would the hon. member permit a question?

Mr. Drew: It depends on what the question is.

An hon. Member: Getting scared?

Mr. Garson: This is the question. My hon. friend has stated that he has expressed himself upon these international matters. Will he tell us this evening what his views upon them are, so that we may hear them?

Mr. Drew: That remark is a perfect example of how much we ever received from the hon. gentleman in the way of useful contribution at the conference.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

An hon. Member: No co-operation on television.

Mr. Grant: Tell us about the iniquitous family allowances.

Mr. Drew: Yes, I will. I came here, Mr. Speaker, expecting to hear contributions to the debate.

An hon. Member: And the hon. member is going to get them, too.

Mr. Cruickshank: Why does the leader of the opposition not make one, then?

Mr. Speaker: Order.

Mr. Drew: Instead of that, I have listened to a type of personal attack which, I am sure, is unprecedented in the records of this chamber. I listened to a dissertation by the Prime Minister (Mr. St. Laurent) on frankness, and I accept the challenge to deal with that subject. The Prime Minister referred to a statement from which he quoted an extremely short part, and left the impression that I had expressed my opposition to family allowances.

An hon. Member: Iniquitous family allowances.

Mr. Drew: He said that it was only at a later date, when the party met here, that there was any change in attitude. If the Prime Minister had been frank or fair he would have quoted from the same speech these words of mine which he knew were there, because he had the speech.

Mr. Abbott: Which speech is that?

Mr. Drew: This is what I said:

We are in favour of every proper step being taken to encourage large and healthy families. We believe in sound provisions for family allowances and social security.

He also knew perfectly well when he made that statement, and a highly offensive one it was, that I had made this statement in the Ontario legislature, which was the body to which I was responsible on February 22, 1945, because we had subsequent meetings dealing with this and other subjects. This was what I said, and it is contained in the record of that legislature under date of February 22, 1945. I would ask hon. members to compare this with some of the statements that have been made.

Mr. Sinnott: We will not allow this iniquitous bill to pass; that is what the hon. member said.

Mr. Drew: I am now quoting from what I said:

I have stated over and over again that we regard family allowances as one of the most important social services; that it is therefore within the exclusive constitutional jurisdiction of the provinces; that the provinces must be consulted if there is to be any effective administration of family allowances; and I have publicly urged over and over again that there be a dominion-provincial conference to settle the basis upon which the dominion and provincial governments of this country can best combine their legislative authority for the benefit of all our people.

The problem with which this and every other provincial government is faced has been stated most clearly by the Hon. Stuart Garson, Premier of Manitoba. I will quote his own words on the subject:

"We are still puzzled as to one of the most important points . . . We have no information before us which indicates conclusively whether the dominion government itself regards and justifies family allowances primarily as a social security measure, or as an instrument of federal fiscal policy . . .

It seems to me that the point here is that the dominion government in introducing family allowances without consulting the provinces, whose jurisdiction over the field of social services heretofore in practice has been considered almost exclusive, surely could not have intended to justify them solely or even primarily as a social service measure. As such they would constitute a federal intrusion in a provincial field of jurisdiction."

Those are the words of Mr. Garson. Then I go on with my own words in that speech in the Ontario legislature, which was well known to the Prime Minister of Canada when he charged me with lack of frankness the other day. This is what I said:

I do not believe the situation could be more clearly stated. If family allowances are to be regarded solely or even primarily as a social service measure, then again to quote Mr. Garson's words—

I almost said "garcon."

—they would constitute a federal intrusion in a provincial field of jurisdiction.

Now we are told by the minister responsible for the administration of this act that it is part of a broad system of social security. If that is so, and we have never been in any doubt that it was so, then this act is an intrusion upon the provincial field of jurisdiction without any consultation with the provinces. In fact the situation goes very much farther than that. Having disregarded the constitutional position of the provinces and their jurisdiction over social services in the introduction of the act, the dominion government has refused repeated requests from myself and other provincial premiers for a dominion-provincial conference to discuss this and other invasions of our authority.

I wish to assure the members of this legislature that we have at all times made it abundantly clear that we were not seeking to raise constitutional issues but that we were seeking to avoid constitutional difficulties in the future. I have made it clear, and I believe the premiers of other provinces have made it equally clear that our purpose in insisting upon a dominion-provincial conference immediately is not to raise barriers against measures which will be for the benefit of our people but rather to make sure that we combine the full constitutional power of the dominion and provincial governments, so that whatever is done may not be upset subsequently by anyone who wishes to test the validity of legislation of this nature in the courts. We also wish to make sure that the highly trained and competent social service workers in the different provinces have their part in the administration of any plans of social security which may be adopted.

Anyone, with the least knowledge of family and child welfare, knows that the health, housing, nurture and all the interests of human beings, hang together in a well integrated whole. You cannot deal with the human needs of a family today without relating closely all the resources in your social catalogue—maternal care, nutrition, housing, mothers' allowances, all forms of assistance, etc. So, your whole welfare security program cannot be done on a bits and pieces basis. It has to be unified and its administration rests with the provinces unless the whole basis of confederation is to be destroyed.

Mr. Martin: Would you repeal the present act if you became Prime Minister of Canada?

Mr. Drew: That, Mr. Speaker, was known to the Prime Minister when he made his speech, because several months after that we met here in Ottawa in a dominion-provincial conference when they finally acceded to our requests and we discussed these very subjects and the Prime Minister knew that we were in favour of family allowances on a higher basis than had been paid, but we said that these family allowances should be for the benefit of the children, and the advantage of our social service organizations should be brought to play upon the administration of this tremendously important function.

Mr. Ross (Souris): Page the Minister of Justice, who has run out.

Mr. Martin: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Martin: If the hon. gentleman—

Some hon. Members: Sit down.

Mr. Speaker: Order. The hon. member knows that before interrupting an hon. member who has the floor permission should be asked.

Mr. Martin: I was going to ask the hon. gentleman—

Mr. Drew: No. My time is not up.

Mr. Martin: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Drew: Mr. Speaker, I have heard these appeals to prejudice which have been made. I want to say that I am not in any way concerned about these appeals except to the extent that they themselves are doing immeasurable damage to Canada by appealing to prejudice in that way.

Mr. Brunelle: You started it.

Mr. Drew: The reason I say that is this. I had been premier of Ontario for some years, until I resigned to come here.

Mr. Brunelle: You were beaten.

Mr. Drew: I must ask that if these hon. members are unable to recognize the responsibility of this great chamber and are unprepared to listen to debate, the hour should not be called at the usual time.

Mr. Speaker: Order. I would ask hon. members to be serious and to listen to the hon. member who has the floor.

Mr. Drew: Mr. Speaker, I have reason for saying that I am not concerned with the slanderous attacks which have been repeated over and over again long before this. I am not concerned with them for this reason. In Ontario we have seven ridings where there is a substantial majority of French Canadians who are as proud of being French Canadians as any French Canadians anywhere in Canada. In these constituencies the same appeals were made.

Mr. Brunelle: They were afraid of you.

Mr. Drew: In the last election in June, after I had been premier of Ontario for five years, and they knew my record, we won six of the seven ridings. I am not concerned, but I do say to the Prime Minister, who set the pattern which has unfortunately been followed by those who were not competent to judge their own course, that the weapon of prejudice—

An hon. Member: Iniquitous.

Mr. Drew: —is a sharp and dangerous two-edged sword, and it would be well for those who wield it to realize that it is very sharp and very dangerous and it is very sharp on both sides.

Mr. Cruickshank: Hear, hear.

Mr. Drew: I do not for one moment accept the proposition that the type of attack which has been made here during the past week, not by members of any one party—

Mr. Knowles: Eleven o'clock.

Mr. Drew: —not by members of any one group, but by the hon. member for Spadina (Mr. Croll), by the Minister of Justice (Mr. Garson) and by the Prime Minister (Mr. St. Laurent), represents the real feeling of our people and I am sure above all that it does not represent the sentiments of the great race who populate the province of Quebec.

In view of the interruptions, Mr. Speaker, may I just have one moment.

Mr. Knowles: Eleven o'clock.

Some hon. Members: No.

Some hon. Members: Let him finish.

Mr. Abbott: Let him finish.

Mr. Cote (Matapedia-Matane): Let him finish.

Mr. Speaker: Order. I think it would be only fair to give a few minutes to the leader of the opposition.

Mr. Drew: I have no intention of delaying the house very long beyond merely completing the remarks I was about to make. This country today is a very fortunate land.

Mr. Grant: Good government.

Mr. Drew: This country today has opportunities unequalled anywhere else in the world; but one of the great questions with which this country is confronted is whether, in a world torn by dispute and strife, we are to seek every little ground, whether justified or not, for fanning the flames of prejudice, or whether on the other hand we are going to seek common ground of agreement on which we can march forward as a great people to the destiny that lies ahead. That is the challenge that lies ahead. That is the challenge to every one of us, and a challenge which I believe is put forward in the continuance of this debate.

On motion of Mr. Drew the debate was adjourned.

Business of the House

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): On Friday last the house passed a motion giving priority to government notices of motion and government orders from February 7 to February 18 inclusive. On Monday next we shall proceed with the two resolutions concerning Newfoundland. I do not know whether the house will wish to debate these resolutions at length or whether the discussions will take place on the second reading of the bill. If the motions are passed a bill will be introduced, read the first time and the second reading would come up the next day. If that takes place we shall then proceed with resolutions numbered 7, 5 and 4 on the order paper. Those are the resolutions relating to emergency powers, the Agricultural Products Act and the Foreign Exchange Control Act. If we conclude that work we will resume the debate on the address.

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

HOUSE OF COMMONS

Monday, February 7, 1949

The house met at three o'clock.

BUSINESS OF THE HOUSE

QUESTIONS AND NOTICES OF MOTIONS FOR PRODUCTION OF PAPERS

Right Hon. L. S. St. Laurent (Prime Minister): At a recent sitting the leader of the opposition (Mr. Drew) asked when there would be an opportunity for answering of questions that are on the order paper, and for dealing with notices of motions for production of papers. If for that purpose we can have the unanimous consent of the house, as in previous sessions when there was delay in disposing of the address in reply to the speech from the throne, we will answer questions and deal with notices of motions on Wednesday of this week and once a week thereafter until we return to the usual application of the standing orders.

NEWFOUNDLAND

REPORT AND DOCUMENTS RELATING TO NEGOTIATIONS FOR UNION WITH CANADA

Hon. L. B. Pearson (Secretary of State for External Affairs): I desire to lay on the table English and French copies of a report and documents relating to the negotiations for the union of Newfoundland with Canada. Copies in English have been distributed to all hon. members today. Copies in French will be on their desks tomorrow.

HOUSING

FRASERVIEW VETERANS RENTAL PROJECT, VANCOUVER

On the orders of the day:

Mr. Howard C. Green (Vancouver South): I should like to direct a question to the Minister of Reconstruction and Supply. Central Mortgage and Housing Corporation is carrying out a building project in Vancouver, known as the Fraserview project. Apparently the corporation has expropriated the property of certain residents who already live in this particular district. Over the week end I have received complaints about bulldozers tearing up gardens without warning, and other alleged high-handed procedure on the part of the corporation. There would seem to be undue interference with the present residents. Can the minister make a statement on this question? If not, will he have an immediate investigation made?

Hon. Robert H. Winters (Minister of Reconstruction and Supply): The hon. member was good enough to give me notice of his question, and I have looked into the matter briefly. The Fraserview project is in accordance with an agreement between the city of Vancouver and the Central Mortgage and Housing Corporation. The development is a veterans' rental project involving some 300 acres of land immediately west of the Fraser golf club. Most of this land was owned by the city of Vancouver as tax sale land, but some parcels are owned by individuals. It was considered desirable to replan the area. For this reason, possession of all the land was required. Expropriation has taken place in respect to both privately-owned vacant land and privately-owned buildings.

The planning has been arranged so that, as far as possible, existing buildings will remain undisturbed. A number of houses may have to be moved, although by arrangement of the planning it is hoped to keep this number to a minimum. The situation has been explained to individual owners in the area, and every effort is being made to cause as little inconvenience as possible. An official of the corporation is devoting his whole time to dealing with individual owners. The vacant land is now being cleared so that an early start may be made upon the 1,200 houses for veterans.

Mr. Green: Will the minister have a further investigation made to see if there is not some way in which those who already live there can be protected against interference with their property?

Mr. Winters: I shall be glad to do that. As I pointed out, an official of the corporation already is working, on a full-time basis, with individual owners.

CITY OF OTTAWA

SUGGESTED CONSTRUCTION OF SHELTERS AT BUS STOPS

On the orders of the day:

Mr. T. L. Church (Broadview): I have a suggestion to offer the Minister of Public Works, though I do not ask that he reply today. My suggestion is that the government

erect temporary shelters in this city for the convenience of people waiting for buses. One might be built on crown property near the Chateau Laurier and another in front of the new post office building, and perhaps others elsewhere. Since the government owns all these properties I see no reason why the men, women and children of Ottawa should suffer in severe weather. I should like the minister to look into the matter and give a reply later.

Hon. Alphonse Fournier (Minister of Public Works): I think I should give an immediate answer to the hon. gentleman's suggestion. The federal government is always ready to co-operate with the city of Ottawa for the benefit of the people of the city. The suggestion, I understand, is that a shelter be erected in front of the new post office building on the square. I do not know whether this would be feasible. It is also suggested that a shelter be erected in Major's Hill park, close to the Chateau Laurier. I will ask my officials to communicate with the authorities of the city of Ottawa and try to help them out if they need any space for such shelters.

Mr. Church: I would ask the minister to confer with me and with the civic authorities.

Mr. Fournier (Hull): I shall do that, with pleasure.

PROPOSED RELOCATION OF PRINTING BUREAU

On the orders of the day:

Mr. Gordon Graydon (Peel): May I ask the Minister of Public Works whether the decision which, according to recent press reports, appears to have been reached with respect to moving the printing bureau to Hull, was made by the government, or was it made personally by the minister and then concurred in by the government?

Hon. Alphonse Fournier (Minister of Public Works): I imagine most hon. members have read the letter I sent in reply to a letter from the mayor of Ottawa. In 1945, when considering new buildings in the district, we asked the federal district commission to give us advice as to the location of these buildings. They submitted that request to the national capital planning committee, which suggested that of the three buildings contemplated, one, the veterans building, be constructed on Wellington street facing the supreme court building; that the second, the trade and commerce building, should be built in the western part of Ottawa, and that the printing bureau should be built on Sacred Heart boulevard in Hull. These recommendations were approved by the federal district commission and submitted to and approved by the government, and the Minister of Public Works was given authority to proceed with the purchase of the site in Hull for the printing bureau. Expropriation proceedings were undertaken, and part of the property has been acquired after negotiation. The engineer and the architect were appointed to prepare the plans and specifications for this building, and at the same time we appointed architects to prepare the plans for the veterans building.

That is how the matter stands at present. I happen to be the member for Hull, and Minister of Public Works. I did not initiate the question of choosing these sites, but I submitted to cabinet the recommendations of the bodies to which I have referred. On these committees are members from all over the country. The national capital planning committee is composed of men from different parts of Canada, and within the last six months the government has appointed to the federal district commission persons from the nine provinces. We think they comprise a body of disinterested people who want to work for the development of the national capital, and the government thought it wise to follow and approve their suggestions and recommendations.

SUPERANNUATED CIVIL SERVANTS

CONSIDERATION OF COST OF LIVING BONUS BY ADVISORY COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Minister of Finance. Unless it has been done already, will the government refer to the advisory committee on matters having to do with the Superannuation Act the question of a cost of living bonus for superannuated civil servants?

Hon. Douglas Abbott (Minister of Finance): I understand the committee in question has had this matter under consideration without reference from the government.

Mr. Knowles: Will it make a report?

Mr. Abbott: I have no idea.

EUROPEAN ECONOMIC CO-OPERATION

REQUEST FOR TABLING OF INTERIM REPORT

On the orders of the day:

Mr. Victor Quelch (Acadia): Can the Secretary of State for External Affairs table a copy of the interim report of the organization for European economic co-operation?

Hon. L. B. Pearson (Secretary of State for External Affairs): I shall be glad to look into the matter and see if the report is available and suitable for tabling in the house.

WAR VETERANS

QUESTION AS TO INCREASE IN PENSIONS AS RECOMMENDED BY COMMITTEE

On the orders of the day:

Mr. F. E. Lennard (Wentworth): I should like to ask the Minister of Veterans Affairs whether the rumour is well founded that the government intends to increase war veterans' pensions by the amount recommended by the last house committee on veterans affairs, namely, 33⅓ per cent.

Hon. Milton F. Gregg (Minister of Veterans Affairs): I have not heard the rumour referred to by my hon. friend.

Some hon. Members: Answer.

Mr. Lennard: I did not ask the minister if he had heard the rumour; I asked if the rumour is well founded.

Mr. Gregg: The answer is no.

COARSE GRAINS

INQUIRY AS TO MARKETING THROUGH WHEAT BOARD

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to ask the Minister of Trade and Commerce whether he can give us a report on the negotiations that have been going on between the dominion government and the three prairie provinces with regard to the marketing of oats and barley through the wheat board.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I know of no recent negotiations on the subject. I am informed that a delegation will come to Ottawa later, but I have not been advised of the date of their visit.

Mr. Diefenbaker: Were they not here last week?

Mr. Howe: No, not so far as I know.

FRASER RIVER

QUESTION AS TO TABLING OF REPORT OF CONTROL BOARD

Mr. E. D. Fulton (Kamloops): Has the Minister of Public Works received any report from the Fraser river control board? If so, will he make it available immediately?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I believe the Fraser river control board reports to me, and I shall be glad to table a report shortly.

Mr. Fulton: It has been received, has it?

Mr. Howe: The government receives weekly progress reports, and from these can be compiled a report suitable for the house. I shall be glad to have that done and the report tabled.

NEWFOUNDLAND

APPROVAL OF TERMS OF UNION WITH CANADA

Right Hon. L. S. St. Laurent (Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill for the approval by parliament of the terms of union of Newfoundland with Canada. The implementation of these terms will involve a charge upon and payment out of moneys in the consolidated revenue fund of Canada.

Mr. Coldwell: Is the minister not going to make his statement with the Speaker in the chair?

Mr. St. Laurent: I am prepared to make the statement at the time which might best suit the convenience of hon. members. I can make it now on the motion that the Speaker leave the chair, or I can make it as soon as the Speaker leaves the chair, when we are in committee. I had thought it might better suit the convenience of hon. members, since no doubt more than one will be speaking on this resolution, to have everyone speak under the same conditions, where questions may be put and answered, if hon. members should find it desirable. I am quite prepared to go on now, however, if it is the wish of hon. members that I do so while Mr. Speaker is in the chair.

Mr. Drew: I think it would be appropriate that the Prime Minister proceed with his explanation now, while the Speaker is in the chair.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I think all hon. members will be of the view that the measure with which the house is now called upon to deal is of an epoch-making character. This fifth session of the twentieth parliament has the historic task of considering the addition to Canada of the last segment in the original plan of the fathers of confederation. The bill to follow the resolution will ask parliament to give approval to the terms of union with Newfoundland which were signed in Ottawa on the 11th of December last.

Of course this is not the first time that the project of the fathers of confederation has received serious attention from the Canadian parliament and the Canadian public. It is well known to us all that two of the original members of the Quebec conference in 1864 were from Newfoundland. They participated in the resolution which ultimately proved to be the basis upon which the British North America Act was drafted, submitted to the parliament of the United Kingdom, and

passed, though in a good many respects in a form which departed rather substantially from the terms of the original resolution. Nevertheless Newfoundland was not represented at the conference at Westminster when the draft of the British North America Act was being considered by the conferees and the law officers of the parliament of the United Kingdom.

Provision was made, as all hon. members know, for the entry of Newfoundland on the same terms as were made for the entry of Prince Edward Island. Prince Edward Island did enter the confederation, but not Newfoundland. In 1869 there was an election in which the proponents of confederation with Canada were decisively defeated. The matter was dropped and remained quiescent for a long period of years. In 1895 it was brought up again. Serious financial difficulties had been facing the government of Newfoundland. One of its commercial banks was forced to suspend its payments. At that time there were negotiations with the Canadian government looking to union, but it proved to be impossible to agree upon tentative terms that the participants in the negotiations would undertake to recommend to their respective parliaments.

During the first war, Newfoundland, as we all know, made a magnificent contribution to the cause of the allies. Concurrently with the activity resulting from this contribution to the war a certain amount of prosperity came to the island. However, the world-wide depression of the early thirties again created a serious situation for the people of Newfoundland, who depend so largely upon world trade for their prosperity. An investigation was made by a commission appointed, at the request of the government of Newfoundland, by the government of the United Kingdom. The commission recommended that the constitution of the island be suspended and that the government of the United Kingdom make itself financially responsible for the obligations of the government of Newfoundland. It was also recommended that the government be replaced by a commission of government, made up of a governor appointed by the United Kingdom and six commissioners appointed by the dominions office, three of whom were to be chosen from residents of the United Kingdom and three from residents of the island. It was also provided that when the financial difficulties had been overcome the constitution might be restored, but nothing was done about that during the period of the war.

In the second world war the Newfoundlanders repeated their most generous contribution to the cause of the allied nations. The activities carried on in the island, and the amount of money that had to be spent to make the island the outpost of defence of the North American continent and the jumping-off place for convoys to Europe brought about a situation of unparalleled prosperity. The commission of government was able to increase materially the public services provided by the government, and in addition to accumulate a surplus of some $70 million.

Following the cessation of hostilities, to ascertain the wishes of the people of Newfoundland a national convention was called to consider the future form of the government of the island. Forty-five elected representatives met in a national convention early in 1946, considered the economy of the island, its financial position, and dispatched delegates to interview the British government as to what that government's intention might be with respect to the future of the island. The convention also considered the dispatch of delegates to Washington to see what arrangements might be possible with the government of the United States of America, but decided against it. The convention sent an important delegation to Canada to discuss with us the possibility of bringing about the completion of the original scheme of the fathers of confederation.

The delegation arrived here early in June, 1947. It was headed by Mr. F. G. Bradley, and the other delegates were Mr. T. G. W. Ashbourne, Mr. Charles H. Ballam, Rev. Lester L. Burry, Mr. P. W. Crummey, Mr. G. F. Higgins, K.C., and Mr. J. R. Smallwood. Exploratory talks and investigations with a committee appointed by the Canadian government extended into September, 1947. As a result of those studies and discussions the Canadian government prepared a statement of terms believed to constitute a fair and equitable basis for union. This statement was forwarded to the governor of Newfoundland by the then prime minister, with a covering letter. It set forth the terms the Canadian government would be prepared to recommend to this parliament if the people of Newfoundland decided they really wanted to become partners in our union on substantially such terms.

These terms were placed before the national convention in Newfoundland and were discussed at great length. The national convention passed a resolution to the effect that there be submitted, in a referendum to the people, two questions as to the future form of government: (1) the restoration of responsible government, and (2) a continuation of the commission of government. There was a motion before the national convention to include on the ballot a third question: whether or not the people wished union with Canada on substantially the terms expressed in the statement which had been submitted. This

motion was defeated in the national convention by a vote of 29 to 16.

Mr. MacNicol: What were the numbers for and against?

Mr. St. Laurent: Twenty-nine against and sixteen for the inclusion of that third alternative on the ballot to be submitted.

In newspaper reports it has been stated that following this decision, widely signed petitions were submitted to the governor asking that the third question be also included in the ballot to be submitted.

The government of the United Kingdom, which still had the final responsibility for the affairs of the island, decided that the question would be included as one of the three to be submitted to the electorate of the island. The secretary of state for commonwealth relations, in a dispatch to the governor of Newfoundland, said in part as follows:

> The terms offered by the Canadian government represent . . . the result of long discussions with a body of Newfoundlanders who were elected to the convention, and the issues involved appear to have been sufficiently clarified to enable the people of Newfoundland to express an opinion as to whether confederation with Canada would commend itself to them. In these circumstances, and having regard to the number of members of the convention who supported the inclusion of confederation with Canada in the ballot paper, His Majesty's government—

That is, the government of the United Kingdom.

> —have come to the conclusion that it would not be right that the people of Newfoundland should be deprived of an opportunity of considering the issue at the referendum . . .

This first referendum took place on June 3, 1948. Out of a total of 176,297 registered voters on the list, 155,777 votes were cast. For responsible government there were 69,400 votes cast, or 44·55 per cent; for confederation, 64,066 or 41·13 per cent; for the continuation of the commission government, 22,311 or 14·32 per cent. As there was no over-all majority, and as had been announced before the referendum took place, a second referendum was arranged to decide between the two forms which had received the larger number of votes, namely, the restoration of responsible government or confederation with Canada. The second referendum took place on July 22, 1948. At that time 6,000 fewer votes were cast than in the first referendum. The total number of votes cast at the second referendum was 149,657. Of this number, 71,334 or 47·66 per cent were for the restoration of responsible government and 78,323 or 52·34 per cent were for confederation with Canada, a majority for confederation with Canada of 6,989 or 4·68 per cent.

In this second referendum, confederation received a majority in eighteen out of the twenty-five electoral districts from which members had formerly been elected to the legislature of Newfoundland. Following the announcement of the result of that vote, Right Hon. W. L. Mackenzie King, then Prime Minister, stated that the result of the referendum was clear, and beyond all possibility of misunderstanding an expression of opinion of the people of Newfoundland for confederation, and that he believed the people of Canada would welcome the result. Mr. King went on to state further:

> The Canadian government is now consulting with the governments of Newfoundland and the United Kingdom in the working out of appropriate constitutional procedure for implementing the decision taken by the people of Newfoundland. The government will also be glad to receive with the least possible delay authorized representatives of Newfoundland to negotiate the terms of union on the basis of my letter of October 29, 1947, to the governor of Newfoundland, and the documents transmitted with it. In these negotiations any special problems which may arise in connection with the entry of Newfoundland into confederation will, I am sure, receive most careful consideration. Before final action is taken, the government will recommend the resulting agreement to the parliament of Canada for approval.

Following that letter, the government of Newfoundland appointed a delegation to come to Ottawa to negotiate the final terms under which the entry of Newfoundland might be brought about. The delegation was headed by Hon. A. J. Walsh, K.C.—now Sir A. J. Walsh, K.C.—commissioner of justice and chairman of defence in the commission of government. The other members of the delegation were Mr. F. G. Bradley, K.C. and Mr. J. R. Smallwood who had been members of the first delegation and with them were Mr. Chesley A. Crosbie, Mr. Philip Gruchy, Mr. J. B. McEvoy, K.C. and Mr. Gordon A. Winter. Negotiations with this delegation were opened at Ottawa on October 6, 1948, and ended with the signing of terms of an agreement on December 11, 1948. Copies of the terms have been distributed to hon. members, as well as a statement of questions raised and answers given by the representatives of the Canadian government in the course of the negotiations, and also a report and documents relating to the negotiations for the union of Newfoundland with Canada, in which hon. members I think will find practically all the pertinent information that was before the representatives of the Canadian government and the delegation from Newfoundland. On examining it, I noted that there was one omission which is not substantial but which I regret, and which I hope will be rectified when there is a reprint of this historic document.

When we met in the senate chamber on December 11 to sign the terms of the agreement that had been arranged, I made a few remarks before the actual signing took place.

I took that opportunity to pay what I considered, as I am sure did all those who had participated in the long negotiations, was a well deserved tribute to the former Prime Minister who had had the responsibility for initiating the proceedings. I venture to take the time of the house to read into the record of *Hansard* what I said then:

I am sure the Newfoundland delegation will be as pleased as his former colleagues that Mr. Mackenzie King is present on this historic occasion. Mr. King had the main responsibility on the Canadian side for the beginning of the negotiations which we have now completed. We have reached an agreement for the entry of Newfoundland as a province of Canada. The agreement is now to be signed on behalf of Newfoundland by the members of the delegation and on behalf of Canada by the Acting Secretary of State for External Affairs and by myself as Prime Minister.

There was a rather agreeable incident to which I called attention at that time in the following words:

I should like to ask those who are to sign the agreement between Canada and Newfoundland if they would use the inkstand which has been placed on the table for the purpose. Perhaps I might explain why this request is being made. The inkstand was left to the Canadian nation by the late Major R. A. C. Kane, V.D., who inherited it from his grandfather, Sir Etienne Pascal Tache. The inkstand was used at the famous Quebec conference in 1864 by the original fathers of confederation, and was subsequently presented to Tache, who presided over that conference. It is particularly fitting, therefore, that it should be used at the signing of the agreement to complete confederation.

I also mentioned the following:

It is also of interest that this inkstand was lent to Mr. Mackenzie King at the time of the Quebec conference of 1943 with the late President Roosevelt and Mr. Winston Churchill, and that it was also used on that occasion.

It may be of interest to hon. members to know that the inkstand will be placed in the library of parliament, which is visited by thousands of Canadians and of visitors from other lands each year, and where it is more apt to attract attention than if it were deposited in the museum, or in the archives or in some other of those places where we have so many interesting things which so few see.

There are still certain stages required to complete this matter of the entry of Newfoundland into confederation as a tenth province. The target date has been set as March 31, and the agreement requires that to come into effect it must first of all receive the approval of the Canadian parliament and of the Newfoundland government, and must also be confirmed by action of the parliament of the United Kingdom.

As hon. members know, in order that there may be passed by the parliament of the United Kingdom any law affecting Canada, it must be stated in the preamble that it is done with the acquiescence and at the request of the houses of the Canadian parliament. That is one of the express provisions of the Statute of Westminster. In order to finish the work that is being done to bring about this completion of the original scheme of confederation, it will be necessary that there be passed by the parliament of Canada a statute ratifying the terms of the agreement and that they be also ratified by the government of Newfoundland, and that they be confirmed by a statute of the United Kingdom. All this must be done before March 31 because the terms of agreement are conditional. The words used in section 50 are as follows:

These terms are agreed to subject to their being approved by the parliament of Canada and the government of Newfoundland; shall take effect notwithstanding the Newfoundland Act, 1933, or any instrument issued pursuant thereto; and shall come into force immediately before the expiration of the thirty-first day of March, 1949, if His Majesty has theretofore given his assent to an act of the parliament of the United Kingdom of Great Britain and northern Ireland confirming the same.

That is the condition upon which these terms can come into force, and if the condition were not fulfilled these terms could not come into force.

The passage of an act of the parliament of the United Kingdom will require joint addresses of this house, and of the other place, to His Majesty, asking him to submit to the parliament of the United Kingdom the appropriate legislation. I would imagine that this house will wish to consider very carefully, and perhaps debate at some length, the terms of union of Newfoundland with Canada. However, if this parliament comes to the conclusion that these terms should be approved by a statute of the Canadian parliament, the adoption of the addresses to His Majesty the King will become a mere formality, because the matter is already covered by the terms of union, which by that time will have received the sanction of the parliament of Canada by a Canadian statute. Therefore I would hope that there would not need to be much debate upon the joint address. After the parliament of Canada has come to the conclusion, as I hope it will, that these terms of union should be accepted, there will also be required—but it need not, in my view, give us very much concern at the present time—to be passed before March 31 a bill making changes in language in the general Canadian statutes which will be appropriate and which will after the union be designed to apply to Newfoundland.

The terms of the union provide that the legislation of Newfoundland will remain in effect until it is repealed or modified by the appropriate body having jurisdiction under the division of powers provided for in the

British North America Act, and that the Canadian legislation will come into effect upon dates to be fixed by proclamation of His Excellency the governor in council. That was requested by the delegation from Newfoundland because they said it would be inconvenient to have the whole body of statute law of Canada come into force at one given moment. Nothing can be done to bring that body of law into force until the union has become effective the last minute of March 31, 1949. They felt that there should be a proclamation immediately bringing a certain portion of these laws into effect, but that there were others for which preparation for proper administration would have to be made, and that it would be desirable to provide that they might be gradually brought into effect as the proper administrative machinery had been set up to enable them to be followed and carried out.

Perhaps the question may arise as to why it is necessary to have a statute passed by the parliament of the United Kingdom to confirm the entry of Newfoundland into Canada. There are two reasons for that. One is that this does in fact, though it may not in form, amount to an amendment to, or a derogation from, the terms of the British North America Act in so far as Canada is concerned.

Hon. members will recall that under section 146 of the British North America Act it was provided that Newfoundland might be admitted into the confederation upon joint addresses of the houses of parliament of Canada and of Newfoundland by order made by, then Her Majesty, on the advice of her council of the United Kingdom. This time it was not possible to comply, even if it had been desirable to do so, with the exact terms of the procedure set out in section 146, because there were no houses of parliament of the colony of Newfoundland; and secondly, it might not have been desirable to have that procedure resorted to because, since the enactment of the Statute of Westminster and as a consequence of constitutional developments, His Majesty, on the advice of his ministers responsible to the parliament of the United Kingdom, no longer exercises the prerogatives of the crown over Canada.

His Majesty now, by reason of the situation or development which brought about the Statute of Westminster, and which is registered in the terms of the Statute of Westminster, exercises the royal prerogative in respect of Canadian affairs upon, and only upon, the advice of his ministers responsible to this parliament.

The second reason is that at the present time the government of the United Kingdom, responsible to the parliament of the United Kingdom, still has the ultimate responsibility for the affairs of the colony of Newfoundland. And though it might be thought that Canada, on the decision of its own parliament, should be entitled to add to its territory, and though under the Statute of Westminster the parliament of Canada has the same rights, recognized internationally, to make laws having extraterritorial effect as has the parliament of the United Kingdom, a law of the parliament of Canada would hardly reach out and gather in a territory that was subject to the legislative and administrative jurisdiction of another autonomous nation. And whatever may be the fine points of technical procedure in that regard, the relations between Canada and the United Kingdom are not such that anything which would appear so discourteous would be considered on either side.

It was felt therefore that the most expeditious procedure might be to follow the precedent which had been established when changes were made with respect to natural resources in the possession of the western provinces. There the entry of the western provinces into confederation had been accomplished in accordance with the terms of the British North America Act. However, it was found that when it became advisable to modify those terms, their modification would constitute a derogation from the express provisions of the British North America Act. In order to bring that modification about in such a manner as to leave no doubt in any mind that it was done in a form beyond successful contestation before the courts, agreements were made between the government of Canada and the governments of each of the western provinces. The agreements contained clauses very similar to this section 50 which I have read to the house. Those agreements were to be subject to the approval of the Canadian parliament and the approval of the legislature of the province concerned, and confirmed by an act of the United Kingdom.

That was the procedure adopted at that time. It is a procedure which operated in a manner that no one has been tempted in any way to test. It is a procedure which requires short bills, in the case of the Canadian parliament, expressing, more or less, only that the terms of agreement of Newfoundland with Canada annexed to the bill as a schedule are ratified and, with respect to the parliament of the United Kingdom, that those terms shall be a schedule to the act which will be introduced before the parliament of the United Kingdom, if and when this parliament sees fit to proceed further with the matter.

The result will be that everything contained in the terms of union will have the effect of law for all the Canadian people, those who now constitute the inhabitants of the nine present provinces and those who, by

virtue of that confirmation, will become the Canadians of the tenth Canadian province.

I do not think I should attempt at this time to deal with the terms of union. They will have to be dealt with at some length, I am sure, by hon. members. Perhaps however I may be permitted to refer in a general way to some aspects of the problems we had to consider. We found at the outset that those problems were perhaps even more complex than the ones with which the fathers of confederation had to deal in 1867, and in the months which preceded the adoption of the British North America Act.

The colonies represented at the Quebec conference in 1864 were similar in their development, and similar in their financial and tax structure. It required no great change to divide powers which were practically the same in all the colonies which were coming together—that is, to divide them between the central authority, which would exercise one portion, and the provincial legislatures which would have jurisdiction over the other.

But between Canada and Newfoundland in 1948 there were great differences in the system of taxation and in the administrative structure. Those differences had to be harmonized with the existing fundamental basis of our constitution, the British North America Act. And I may say that there have been no substantial departures from the provisions of the British North America Act. There has been one in connection with education. In the British North America Act provision is made for certain guarantees for denominational schools. But the sanction of those guarantees is an appeal to the governor in council, if anything is done in violation of them.

The experience of the years has been that an appeal to the governor in council over matters which become highly controversial, when they involve the religious beliefs of honest people of diverging views about the way they should worship their Maker, is not an effective safeguard.

With respect to this agreement the delegation from Newfoundland was told that of course we did not pretend to exercise or to ask for any control over their school system. We had none; and we were not going to make it a condition of their entry into Canada that they should give us some control in the central authority as to their education.

The situation was not the same as it was when new provinces were created out of the territories. When the new provinces were created out of the territories this parliament had legislative control over the educational system, and it was turning over that legislative control to the new bodies. It was felt to be fitting at that time that it should retain some portion of that control to ensure respect for the constitutional safeguards which were being written into the constitutions of those new provinces.

But with respect to Newfoundland, they had at the time of the negotiations, and they have today in their legislative body, full and exclusive control over their educational system. But we said to them, "If, for the satisfaction of your own people, you do wish to have constitutional safeguards written into the terms of union, we will be quite prepared to consider those you will suggest." The treatment they suggested was constitutional safeguards, but constitutional safeguards the application of which will be left to the courts of justice.

It is provided that the legislature will have exclusive control over all educational matters, but must not make any laws that would prejudice what is described in the terms of union as the rights of the denominations which comprise the people of Newfoundland. The legislature has no power to do anything prejudicial. Review will be a matter for the courts. If there ever should be an attempt by the legislature to do anything that would contravene the terms of the union it will not be a matter of appeal to His Excellency the governor in council. It will be a matter for resort to the courts of justice of the island of Newfoundland in the first instance, and then to the ordinary courts administering the laws of the country.

The other departure had to do with oleomargarine. In Newfoundland the dairy industry is very small, and over the years the people of Newfoundland have been using oleomargarine produced from raw materials available in their own economy. At the time of the negotiations the Supreme Court of Canada had not decided that this parliament has no juridiction to deal with oleomargarine in the form set out in the Dairy Industry Act. We agreed that there would not be any attempt by this parliament to prevent the people of Newfoundland from continuing to use oleomargarine, because they are not in a position to get the article which many of us regard as more desirable, butter produced by the dairy industry. But it was also provided that, unless and until the manufacture and sale of oleomargarine ceases to be prohibited in the other parts of Canada, they would not ship any of their oleomargarine into the other provinces. Perhaps we would not have felt it was necessary to talk about that problem at all if the judgment of the supreme court had been available at the time negotiations were proceeding. There was a feeling that it was somewhat undesirable to have this special

situation with respect to Newfoundland, but after all I think the completion of the scheme of confederation is of more concern to the general Canadian public than is the question of determining whether Mr. John Jones or Mr. Tom Allen, residing in one of the villages or towns of Newfoundland, shall have the right to use oleomargarine instead of having to use butter.

I think those are the only departures from the general scheme, because in a general way it was the desire of those people of Newfoundland who favoured entry into Canada to become Canadian citizens, subject to the same laws and entitled to the same great privileges that are the heritage of Canadian citizens of the nine other provinces.

I come now to the matter of financial terms. That was a tough one. The people of Newfoundland did not want to become a province of Canada under conditions which would not make it reasonably probable that they could carry on successfully, and participate in the advantages which appertain to Canadians generally. We on our side wanted to provide financial terms which would make it reasonably probable, if not certain, that the addition of Newfoundland to the economy of Canada would ultimately prove to be beneficial to both partners, to the older Canadians and to the newer arrivals. It was found, after more precise and careful study of the administrative problems that would be faced by the government of the province of Newfoundland, that the terms suggested in the offer submitted in October, 1947, would not be sufficient at the start to enable the provincial government to provide for its people on a basis comparable to that which is provided by the other Canadian provinces. It was felt there had to be quite substantial provisional grants, extending over a period of twelve years on a diminishing scale, to bridge the transition from the present economy of the island to the kind of economy which would make it possible for the provincial government to provide the people of Newfoundland with substantially the services that are provided for the rest of the Canadian people by their provincial governments, without resorting to a burden of taxation heavier, having regard to capacity to pay, than that which bears upon the people of the maritime region. The section of the Canadian economy generally described as the maritimes was felt to be the one which would be most nearly comparable to the situation which would be apt to develop in Newfoundland. It was felt that for a transitional term the government of Newfoundland had to be provided with sufficient funds to establish and develop services comparable to those available to the people of the maritime region, and that it had to be able to do so without imposing upon the people of Newfoundland a burden of taxation heavier than that prevailing in the maritime region.

After long negotiations it proved possible, I think, to arrive at the scheme which is set out in the terms of union, and which is apt to achieve that result. Human foresight, however, is never as good as hindsight. It was also provided that within eight years from the coming into force of the terms of union a commission would be set up to examine the situation anew, and to report as to whether or not the terms provided are working satisfactorily and are sufficient to bring about the object of equalizing the lot of the people of the new province with that of the people of the older provinces. There is no undertaking to implement any terms of recommendation that may be made at that time by a royal commission. It was felt by the Newfoundland delegation, and by the representatives of the Canadian government, that this was something that was being entered into in a spirit of fairness on both sides, and that it was not necessary to make binding stipulations about what would happen with respect to the report of a royal commission. It was felt if there was an investigation and a report by a commission, in which the public at that time would have confidence, the legislators of that day could well be trusted to do what would prove to be right in order to make this enlarged nation a united nation continuing on its path of progress toward its great destiny.

At the time many people in Newfoundland felt that the government of the United Kingdom should have proceeded in some other way; should have at once restored responsible government and left it to a responsible government to discuss and negotiate a possible union with Canada. The government of the United Kingdom chose to call together a national convention of elected representatives, to have them advise in respect of the future form of government. After that commission had made its investigation the government of the United Kingdom decided to submit directly to the public of Newfoundland the question whether they wished to have responsible government restored or whether they wished to join us in our march toward the future. The people of Newfoundland, by a substantial majority, decided that instead of having responsible government restored they wished to have confederation with Canada immediately implemented.

As far as we were concerned, of course, it was not our business. All we had to do—and I think we did that with the most scrupulous care—was say that we would be glad to have them join with us, but that it was

something which was their concern, and that if they decided they wished to become Canadians we would be glad to welcome them and to extend just as fair terms as we could hope to have ratified and confirmed by a Canadian parliament animated by the same sentiments. And it was in that spirit that the negotiations were carried on.

From what I have been able to read in the press since the agreement was signed, there appears to be almost complete unanimity on the part of the Canadian public that this was a good arrangement to make, and that it is a good thing in this year 1949 to complete the original project envisaged by the fathers of confederation in 1864. From what I have seen of the editorial comment in the newspapers of the island, there are still those who would prefer to have had responsible government re-established and the terms of confederation discussed by and through that responsible government. In the referendum the majority decided otherwise, however; and even among the objectors I think there are now large numbers who feel there has been a sincere attempt to make a fair proposal, and that confederation with Canada has been made inevitable both by the Almighty in the distribution of the lands and waters of this northern half of the North American continent, and by the historic development of the people who have inhabited these two parts. They are not strangers to each other. They come from the same stocks. They have developed under the same system of responsible government, of love of individual freedom, of respect for the human being as more important than the state. They have developed in the view that the state exists for the individual, and not the individual for the state. It is my hope that this arrangement will commend itself to the Canadian parliament, to the vast majority of the Canadian people and also to the vast majority of the people of Newfoundland. We are here now considering a matter of great moment. In the last two wars we realized how close we were to each other and how close we had to be in order to survive. In this troubled world I think we, both in Newfoundland and in Canada, feel that in this way our risks are more apt to be successfully met and any dangers overcome than was possible even with the non-constitutional union of spirits and hearts that united us during the last two wars. I earnestly hope it will be the view of this house that this union of Canada and Newfoundland is desirable in the interests of the people of these two lands, and as a lesson to the whole world of what can be accomplished by men of good will.

[Mr. St. Laurent.]

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, following the remarks of the Prime Minister (Mr. St. Laurent) it is not my intention today to deal with the terms of the agreement in any detail, because the agreement will be under discussion when the bill is before the house. I shall simply discuss the resolution before us, which will have the effect of bringing before hon. members the bill the government intends to introduce. For this reason I shall defer any comments I might make about certain references made by the Prime Minister to some features of the agreement, which to me suggest that careful consideration should be given to its full effect.

Perhaps I might go so far as to suggest that, before the bill is formally introduced and the agreement accompanying it is placed before the house, the government give consideration to the desirability of removing the section in regard to oleomargarine, for reasons which have nothing to do with the use of oleomargarine itself. The Prime Minister said the completion of confederation is more important than the question whether or not Tom Jones in Newfoundland is to eat oleomargarine. The balance of importance unquestionably is in accordance with what the Prime Minister said; but there is a very important question that may be involved in the inclusion of that section, to which I think the government should give some attention before we are asked to discuss it.

It is true that the section to which I refer was included in the draft terms of agreement before the Supreme Court of Canada had reached its decision as to the constitutional authority of the Canadian parliament to deal with restrictions on the use of oleomargarine. The provision that the manufacture of oleomargarine should be continued in Newfoundland related to the fact that already it was being manufactured there.

I am not concerned with the circumstances which led to the inclusion of this provision. What I am concerned with is that a principle is put forward which, if accepted, might apply with equal force to other matters of trade and commerce, and with serious consequences. It suggests that it is an acceptable principle to create trade barriers between provinces of Canada. Serious consideration should be given by the government and by the house to the principle involved in the acceptance of this provision of the agreement, even though the Supreme Court of Canada by its decision may to some extent have made this discussion academic.

There is one other interesting provision in the agreement which should not be disregarded by some of those who have found

occasion to avail themselves of the absence of any similar limitation upon their discretion. The Prime Minister referred to the terms of the agreement which relate to financial arrangements. Without going into them in detail now, I wish to point out another question of principle which is important. Having placed before the appointed representatives of Newfoundland certain proposals in regard to a tax agreement, the following provision is then included:

> The subsequent entry into a tax agreement by the government of Canada with any other province will not entitle the government of the province of Newfoundland to any alteration in the terms of its agreement.

The present Minister of Justice (Mr. Garson), while he was premier of Manitoba, the premier of New Brunswick and other premiers who succeeded in obtaining adjustments when other adjustments were made, would have felt themselves greatly injured if they had been subject to any such limitation as this. It seems unusual that the only province, among those accepting agreements in respect to the payment of subsidies in return for taxing powers, to have any limitation placed upon its subsequent right to ask for readjustment should be the new province of Newfoundland, to which we should be extending every courtesy and offering every encouragement. These, however, are details, but I suggest they are worthy of consideration and will be given consideration when we are discussing the precise terms of the agreement.

As has already been pointed out by the Prime Minister, the union of Newfoundland with Canada will represent the fulfilment of the great and challenging vision of those who met in Charlottetown on September 1, 1864, in the hope of bringing together the whole of British North America as one united nation. It will give reality to the dream of Sir John A. Macdonald, whose proposals to Newfoundland for confederation were not first made at the time of the Charlottetown conference but were in fact put forward to Newfoundland in 1858. It is well to remember the significance of the fact that these proposals which were put forward to Newfoundland in 1858 brought the first favourable official response to his contention that steps should then be taken to create a federal union.

When I had the privilege of visiting the confederation chamber in Charlottetown not long ago, I was greatly impressed, as I am sure all other members were who have visited that beautiful room, by these words on the memorial tablet which commemorates that historic meeting. On the tablet are these words: "They builded better than they knew." They built so well that we are seeing before us the fulfilment of the vision of those who sat there in 1864 and pictured this great union of free people embracing all the territory then known as British North America and extending from the Atlantic to the Pacific.

Macdonald, Cartier, and those associated with them, were disappointed that Newfoundland did not become part of Canada in 1867, but they never despaired of ultimate success. Macdonald's renewed proposals of 1888 gave convincing evidence of the continuing hope that Newfoundland would join with the rest of Canada. Again in 1895, as has already been pointed out, another attempt was made to find a satisfactory basis for union, but again without success. It is not without interest to note that on these earlier occasions the renewed discussions related to the difficult financial conditions in Newfoundland. The present discussions, on the contrary, have taken place in a period of greater prosperity than has ever before been experienced in the island's history.

From those earlier days up to the time of the discussions which have led to the agreement which will be before us for consideration, there has been a continuing hope in the minds of a great many people in Newfoundland and Canada that the vision of the fathers of confederation of one great nation from sea to sea would ultimately be fulfilled.

The motion now before the house calls for a decision whether the bill to bring about the union of Newfoundland with Canada is to be introduced. In fact that is the only issue before us in this motion. Speaking on behalf of all the members of the Progressive Conservative party in this house, and with their unanimous support, I wish to welcome, personally and on their behalf, the introduction of such measures as will complete this union upon terms satisfactory to the people of Newfoundland and the people of Canada. It is neither appropriate nor possible at this stage to discuss any details of the procedure, because we are still to be told what the provisions of the bill will be and the course which is to be followed in the discussion. We are now simply discussing a resolution which, in effect, asks us to express our opinion as to whether or not this house should proceed to deal with such legislation as may be required to bring about the effective union of the sister dominions of Newfoundland and Canada. On that simple question it is difficult to believe there can be any division of opinion, and I join in expressing the hope that the proposal for union, made by Sir John Macdonald so long ago, may soon become a reality. I trust that in the years ahead the people of Newfoundland will be given every reason to have, in ever-increasing measure, confidence in and good will

towards those with whom they will be associated within the boundaries of one great nation.

Newfoundland has a great and unique history. It was the first part of the area of North America to be discovered. While other explorers were taking back to Europe reports about and later actual cargoes of gold from the newly discovered Americas, John Cabot, who discovered the island in 1497, carried back to England and to Europe, not tales of gold but tales of immense shoals of fish off the Newfoundland banks, which revealed a new form of wealth. That wealth challenged the adventurous of those days, and it has continued to be the main concern of those who have settled and built Newfoundland during the past three hundred years.

Great new industries have been built to use the forest resources of the island and now, in recent years, Newfoundland has added to its many achievements that of becoming one of the most important centres of international air travel in the world. It is a fascinating picture, one to arouse and to stimulate the imagination of every young Canadian as well as of every young Newfoundlander, to see the movement, from every part of the world, of people whose paths cross at Gander or at Goose Bay. I recall seeing only a few months ago, at the great airport of Gander, one plane which had just arrived from India on its way to New York and another from New York putting down just afterwards on its way to the Mediterranean. There were also passengers who were already there from planes moving both ways between Britain and the United States and between Britain and Canada, and also between this continent and France and Italy. It is one of the most challenging pictures of the immense changes which have taken place within these past few years, and it gives the youth of Newfoundland and of Canada as a whole some suggestion of what the expanding use of air transportation means to this country in the years ahead.

Mining also has long been an important industry on the island, and there is every reason to hope that further exploration and development, which undoubtedly will be greatly stepped up with the new associations that will be formed, will greatly increase the value of these resources in Newfoundland itself as well as in Labrador.

The Newfoundland we know today is the result of the hard work and the fortitude of a great people who have at all times retained the highest standards of personal integrity and public service as well as those simple virtues of thrift and hard work which are today perhaps more important than they ever were before. With improving transportation facilities, more and more Canadians have come in contact with the people of Newfoundland and know how justifiably proud the people of that island are of what they have accomplished, often under great difficulties.

Not only have our contacts with Newfoundland been extremely close during the long years of peace, but in the years of war there was an increasingly close relationship which laid the firm foundation of admiration and respect upon which has been built a widening confidence, in Newfoundland and in Canada, in the advantages of confederation.

In two world wars the people of Newfoundland wrote some of the greatest pages in their long island history, and I should like to refer to that contribution because it has a direct bearing on the subject we have under consideration today. In 1914 Newfoundland had the distinction of being the first of the dominions to commit itself to that vast struggle for freedom which ultimately enveloped the whole world. On August 4, the very day on which war was declared, Newfoundlanders who had voluntarily joined the royal naval reserve were called to the colours. On August 7, only three days after the outbreak of war, the Legion of Frontiersmen, the only military unit then organized in Newfoundland, volunteered for overseas service; and that unit became the base of a wider enlistment which ultimately took the form of the Royal Newfoundland regiment. On October 4, 1914—a day that will be recalled by many hon. members of this house—the first Newfoundland contingent sailed on the s.s. *Florizel* from St. John's to join the first contingent of the Canadian expeditionary force off the island of St. Pierre. I happen to know that there are in this chamber those who will recall that significant union of forces when the s.s. *Florizel* joined the other ships which were then lying at anchor. On arrival in England the Newfoundland contingent was brigaded with the first Canadian division on Salisbury plain.

In August, 1915, the Royal Newfoundland regiment, as it had then become, sailed from England for Egypt and joined the 29th imperial division, landing at Suvla bay in the Gallipoli peninsula on September 20, and it took part in the terrific battles which followed at that time, when we who were then opposed to them learned to respect the fighting powers of the people of Turkey, as others fortunately have come to respect them today. After the historic evacuation of Gallipoli, this regiment was transferred to France and on July 1, 1916, fought at Beaumont Hamel in the tremendous battle of the Somme. On that occasion the Royal Newfoundland regiment was engaged in one of the really Homeric

battles of history. It took part in one of the most desperate and tragic attacks of the whole war. Seven hundred and forty officers and men went over the top that morning to attack that key position in the enemy defences, and they suffered 684 casualties. Of this action, Sir Douglas Haig said in his dispatches:

> The heroism and devotion to duty they displayed on the first of July has never been surpassed.

Their own corps commander said in his dispatches:

> The assault only failed because dead men could advance no further.

May I say, Mr. Speaker, that it is with people such as those who wrote that imperishable page of history that we now join hands in the great enterprises of peace.

The Royal Newfoundland regiment had one of the finest records in the whole war. When it was demobilized in St. John's on November 25, 1918, 5,046 officers and men had passed through the ranks of that one unit, whose establishment in the ordinary course of events would be only approximately one thousand men.

Thousands of Newfoundlanders also served with great courage and distinction in the army, the navy and the air force units of Canada, Britain and the United States. All who saw them in action or learned of their achievements knew the stout hearts and great spirit of these splendid people who are about to unite with us in confederation.

In the second world war the association between Newfoundland and Canada was very much closer. The changing character of global warfare placed Newfoundland in a central position in that great struggle. Its strategic importance was highlighted in the early days of the war when Churchill and Roosevelt, with their military and official staffs, met in one of its many bays to draft and sign the Atlantic charter which pledged the people of the commonwealth and the United States to join forces in restoring freedom to the people of Europe who had been engulfed in the flood of nazi power.

With the increasing role of long-range bombers and aircraft of all kinds, Newfoundland became a focal point in the efforts of Canada, Great Britain and the United States through the years which followed.

During the whole of the war, Newfoundlanders served side by side with Canadians in different parts of the world and also in their own country. Because of the threat to the Atlantic coast by German submarines and aircraft, it was necessary to provide for the actual defence of Newfoundland as a very real contingency which might be faced. For that reason many Canadians served in Newfoundland throughout the war.

In the spring of 1940, the Black Watch of Montreal were dispatched to Newfoundland to protect the great airport at Gander, which was then being expanded as an operational base for the Royal Canadian Air Force and the air-ferrying services of Canada, Britain and the United States—the United States, of course, indirectly at that time. Because our common interests had become so closely linked, the defence forces in Newfoundland were brought under the Canadian Atlantic command in 1940.

Canadian coast defence batteries and anti-aircraft units were stationed at the airports at Gander, Goose Bay, Torbay and also at the loading piers at Conception bay, the mines on Bell island, as well as the fuel tanks and docks at Lewisporte and Botwood. A Newfoundland coast defence battery manned the defences at Bell island while Canadian batteries were stationed at St. John's.

I mention this to indicate the close military association which existed between the people of Newfoundland and Canada under the Canadian Atlantic command. In due course the Queen's Own Rifles of Toronto relieved the Black Watch at Gander and, as the war progressed and increased in intensity, units from every part of Canada were moved to different points in the island. These included the Chaudiere regiment, the Royal rifles, the Edmonton fusiliers, the New Brunswick rangers, and other well known regiments.

The Royal Canadian Air Force operated bases at Botwood, Torbay, Gander and Goose Bay. Thousands of our young men and women served in these units at these various bases. Extensive communication systems were also set up under Atlantic command signals. Other Canadian services included the Royal Canadian Army Service Corps, the ordnance corps, medical depots and other special units.

In addition to those who served in their own units, many Newfoundlanders served in the Royal Canadian Navy and the Royal Navy. They also served in all branches of the Royal Canadian Air Force, including the women's division. Those with Canadian units wore the Newfoundland badge on their shoulders and won friendship and respect from all with whom they served in every part of the world.

Because of these many contacts, thousands of Newfoundlanders trained and served in Canada while thousands of our own young men and women saw service and made warm friendships in Newfoundland.

I have mentioned these details at some length because that history of the participation of Newfoundlanders in two wars, and particularly that association between the young men and women of Canada and Newfoundland in the second world war,

convey an impression of how close our natural friendship really is, and undoubtedly greatly increased support in both Newfoundland and Canada for this idea of union, which has been before us for so many years. These young men and women, the very finest of our youth, were our ambassadors in this great cause; and no nation ever had better ambassadors than we had. Their efforts on our behalf, whether or not intentionally carried out for that purpose, have had much to do with what we have under consideration today.

The spirit of unity and wholehearted co-operation between Newfoundlanders and Canadians, which was so apparent at the Canadian army, naval and air bases established in Newfoundland during the war, offers a happy augury of the spirit of understanding and good will which can be established between the peoples of these two dominions when we become part of one nation.

I have touched only briefly on the many reasons why Canadians will welcome Newfoundland into confederation, as was intended under the original provisions of the British North America Act. But it would be folly for us to disregard the criticism which has been directed to the methods which have been employed in bringing this about. It is not only in Newfoundland that very severe criticism has been directed against the way in which this has been done. Many Newfoundlanders who are in favour of confederation, and strongly in favour, have been insistent that legislative authority should be restored to the people of Newfoundland and that elected representatives of such a legislative body should negotiate any terms which are to bring Newfoundland within confederation. They contend that the commission of government, appointed by the government of the United Kingdom, has no right to negotiate such terms either directly or through appointed representatives.

Newfoundland is not a colony. Newfoundland was accorded the full status of a dominion in the Statute of Westminster. It is argued, and in many cases argued with much bitterness, that it is inconsistent with democratic practices that any group short of the representatives of a fully constituted legislative assembly should be empowered to decide the terms under which Newfoundland will join Canada.

How strong that criticism is outside of Newfoundland, as well as within its boundaries, is shown by a letter published recently in the Manchester *Guardian* from Mr. Thomas Lodge, who was one of the first members of the commission of government appointed in 1934. Denouncing in the most vigorous terms the procedure followed, Mr. Lodge describes the whole transaction as an "unholy deal." And those are his words, not mine. The same attitude is reflected in the press and in many public statements in Newfoundland. There is also much public criticism of the procedure in Canada, so far as Newfoundland is concerned, and the method which has been followed.

When the Prime Minister (Mr. St. Laurent) met the Newfoundland delegation appointed to discuss the terms of union, he said to them, "One thing is sure, the objective itself is more important that the approach." It seems to me that the approach is very important. It is essential that the union of Newfoundland with Canada be something much more than a mere legal union. It is essential that the union be one which appeals now, and will appeal in the years ahead, to the people of Newfoundland and to the people of Canada as something which united them in spirit and in friendship even more than it did in statutory form.

We have no way of knowing what discussions took place between the government of Canada and the government of the United Kingdom or the appointed representatives of Newfoundland. We do know that there is widespread discontent and dissatisfaction, and that this will not contribute to the spirit of harmony and good will which should be the main consideration of all those who welcome Newfoundland as a part of Canada.

It must however be remembered that in the house we are called upon only to deal with the steps which Canada will take to bring about confederation. Except for any action by the Canadian government which has not been disclosed and is therefore not known to the members of the house, the procedure so far as Newfoundland is concerned is one which affects the people of Newfoundland in their direct relationship with the government of the United Kingdom. We may well regret that appropriate steps were not taken to assure that there would be no cause for any widespread feeling of bitterness or dissatisfaction, but it is not for us to tell the people of our sister dominion what course they should follow in their own dealings or in their dealings with the government of the United Kingdom.

I hope I shall be forgiven for indicating that I have some personal sentimental feelings toward the transaction we have under consideration. It happens that my father's mother was born in a fishing village in Newfoundland, and that as a young boy I was constantly impressed with the stories of the hardy life of those fine people who lived by

their daily efforts, chiefly from their ships at sea.

I was imbued in my early youth with the feeling of justifiable pride which those born in Newfoundland have in their great traditions and the great background of that island. Knowing even by that indirect contact, as well as by more direct contacts in later years, something of the feeling of the greatness of their own island's history and all it stands for, I hope that everything possible will be done to avoid the discontent and misunderstanding which does exist, and which is reflected in the press and in public speeches being made in Newfoundland and elsewhere today. For we want to see the splendid people of Newfoundland joining Canada in a spirit of real satisfaction and friendship and with a certainty that it is to the interests and advantage of all of them.

This is an historic occasion. The proceedings which carry into effect the purpose of this resolution will of necessity be debated in detail, and there will be discussions in relation to those details. But in regard to the principle of carrying into effect the vision of those great men who met at Charlottetown in 1864, I find it difficult to believe that there can be any difference of view anywhere in the house as to the hope that this will be carried out to the complete satisfaction of the people both of Newfoundland and of Canada.

For the reasons I have indicated, we will support the resolution before the house.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, this is not the stage at which to discuss any of the details of the agreement and therefore I do not propose to do so. May I say at once that members of the C.C.F. throughout Canada join with other people in welcoming into confederation the island of Newfoundland.

When in 1867 the fathers of confederation succeeded in uniting this great land which we call Canada, Newfoundland remained aloof. Now, after eighty years, what we may term the oldest British colony in North America joins this great undertaking, the nation of which we are a part. I say therefore there can be no wonder when, in discussing the resolution, we are filled with a sense of its historic importance.

Newfoundland, by reason of her strategic position, to which reference has been made this afternoon, her wealth and, Mr. Speaker, most of all, the sterling qualities of her people, is indeed a welcome addition to the country in which we live. She, may I add, has resources which have never been adequately and thoroughly surveyed, and about which in many instances very little is known.

Her people are descended principally from those hardy seafaring folk who crossed the stormy Atlantic in little cockleshells of boats from places like Bristol, Bideford, Plymouth, fishing villages along the Devon and Cornish coasts, and from places on the shores of Brittany, Normandy and Scotland.

If I might interject a personal note: In the district where I was born, in the county of Devonshire, our parish registers record how in the late seventeenth and eighteenth century fisherfolk who crossed the Atlantic paid their church tithes after having returned from fishing expeditions on the grand banks. When they came back, this great reservoir of new food for a hungry continent of Europe was more valuable to the people of Europe than all the treasures Sir Walter Raleigh hoped to find farther south. It was his brother adventurer, Sir Humphrey Gilbert, who concentrated upon Newfoundland. I believe it was Francis Bacon who said that the fisheries of Newfoundland were more valuable to posterity than all the mines of Peru. I believe that is true.

So the beginnings of Newfoundland were laid by hardy fisherfolk who, perhaps, had no thought of settling so far across the stormy ocean. But it was the wealth of fish which laid the foundation of Newfoundland, just as it may be said that the fur trade laid the foundation of New France. And just as in the seventeenth century Canada was typically French in its origins, characteristics and customs, so it may be said that Newfoundland is typically British in its origins, in its customs, and in its general outlook upon life.

So that once again, within this North American confederation we call Canada, the two great races who have laid the foundations of this country, together with the many hundreds of thousands who have come to us from many lands and who, too, have made their contribution, are engaged today in laying the foundations of a Canada greater than we have known, making it a nation stretching at last in every sense from sea to sea.

But just as the gentlemen adventurers into Hudson bay tried to keep the settlers out of what was then known as Rupert's Land and is now the Northwest Territories, Manitoba, Saskatchewan and Alberta, so the fish-dealing merchants of the west of England tried to keep settlers from landing and taking root in Newfoundland. They wanted to keep the harbours and coves for the curing of fish, and to add to their own profits thereby. But settlers came, and in spite of the gentlemen adventurers they remained and they fought their way through. I mention this because I think it tells us something of the type of people and their background, and indicates

clearly the sturdy stock from which they sprang, and their determination to see things through. The settlers had to fight repressive laws, and literally they were under a star chamber jurisdiction.

Just before I came into the house I looked up a reference to this repression in our history. In 1633, in the reign of Charles I, the star chamber laid down a number of rules by which the people of Newfoundland were to live, and they were repressive indeed. Then in 1660, in the reign of Charles II, the preamble was altered and confirmed. Let me read you a paragraph from it:

> All owners of ships trading to Newfoundland are forbidden to carry any persons not of the ship's company, or such as are to plant or do intend to settle there, and that speedy punishment may be inflicted on offenders.

I can recollect no similar provision touching any other British colony, or indeed any other colony elsewhere.

In 1832, if I may take a jump, representative government was granted by the parliament of the United Kingdom, but it was not responsible government. True, it was representative government, but the governor and the executive were not responsible to the legislature. A few years later there was great friction in the colony, and the British government was asked to intervene. They did so, and the constitution, such as it was, was suspended for a time. It was not until 1855 that the country followed Canada in obtaining responsible government.

I do not propose to traverse the checkered story of the island's political and economic history up to 1931. That was done in part this afternoon by the Prime Minister (Mr. St. Laurent), and to a certain extent by the leader of the opposition (Mr. Drew). In 1931, when the loss of markets and world-wide depression brought into bold relief the desperate financial plight of the island and the terrible suffering among its people, something had to be done. In response to appeals from the people of Newfoundland a royal commission was set up under Lord Amulree. I am not going into the details of its report. I am going to say, however, that I have read very carefully the report of that royal commission, which I think was published in 1934, and I was shocked at the conditions which were revealed in it.

As we have heard this afternoon, the result was the suspension of the constitution again, and the setting up of a commission government, which was also described this afternoon. That is where the matter rests today. I agree with the Prime Minister and the leader of the opposition that what we are about to consider is an agreement into which Canada is entering, and it is our duty to see to it that that agreement is in the best interests of Canada. It is none of our business to discuss other matters in relation to it. It is the business of the government of Newfoundland, which at the moment is the government of the United Kingdom, to protect the interests of the people of Newfoundland both in the agreement and in the manner of its making.

Having said that, Mr. Speaker, I want to say that I hope and trust that the agreement when consummated will prove mutually satisfactory and advantageous to Canada and Newfoundland. Therefore our first duty is to see that the terms of the agreement we are about to discuss are fair and satisfactory to our own country. As I say, I hope that as time passes both countries will find the agreement satisfactory and mutually advantageous.

I think another matter we have got to be clear about is that we are not taking into confederation the stricken country of 1931. I believe it was the Prime Minister who said this afternoon that a financial surplus has been piled up, and that the country is now relatively prosperous. It has accumulated a substantial surplus. Indeed, the reason why we are discussing this problem at the present time is that it has emerged from the slough of despond which afflicted it in the hungry thirties.

In September, 1944, the hon. member for Cape Breton South (Mr. Gillis), the hon. member for Melfort (Mr. Wright), and I attended a conference of the British commonwealth labour, co-operative and socialist parties held in London. We had the opportunity of meeting Lord Ammon and of hearing from him quite a long and interesting report. He had been appointed in 1943 by the coalition government to head a good-will mission to inquire into the situation as it then existed on the island of Newfoundland. The mission visited every part of the island and held discussions with representative people of all types, from the fishing people along the coves and coasts to the people of the towns and in the city of St. John's, on economic conditions, the political future of the island, and all those matters which are very much under discussion today.

Subsequently the Fabian society published a pamphlet much along the lines of the address which Lord Ammon made, and which I, and my hon. friends who attended the conference with me, heard. I want to quote from it a few words which express his appraisal of the people of Newfoundland. He said:

> I should record my appreciation of the integrity, shrewdness, and high level of intelligence of the Newfoundlanders. They are, on the whole, a kindly, hospitable people, hardworking yet easy-going, well-mannered but outspoken, thrifty but generous to strangers. Living in close contact with nature, employed for the most part on hard and often dangerous manual work, they have an ingrained healthy contempt of danger; an easy—perhaps too easy—

philosophy that tomorrow will look after itself, and an ability to turn their hands to anything from boat building to home construction. Their aptitude as seamen is well known, and their contribution in manpower to this war requires no comment. It would be hard to find a more loyal and delightful people.

I thought that was worth putting on the record this afternoon. The leader of the opposition (Mr. Drew) has spoken at length in regard to their war record, and I think we all appreciate what the island did during the war. But Lord Ammon also found that conditions on the island were deplorable. He noted that the people depended for their livelihood mainly on fish, timber and the land, with fishing quite the predominant industry. He said that much of the poverty was due to the long-established methods pursued by the old-style salt and dried cod industry, in which the fishermen went from one debt sheet to another through the operation of what is known as the truck system, now illegal in the United Kingdom and in many other places. On this his comment was interesting, and again I want to quote it:

> The uncrowned kings of the settlements are the "planters" or outport merchants, who supply the fishermen, buy their fish and in their own lights act as "guides, philosophers and friends" to the settlements. All of them take heavy risks in advancing money on the probable out-turn of the fishery. If it fails, they fail heavily; if it prospers, they prosper. Many are honest men who have helped hundreds of fishermen through hard winters, others are unscrupulous. All profess to abhor the truck system, but none seems willing to help the fishermen out of the net of debt in which they are constantly enmeshed; and all hold surprising views on the profit an honest trader is permitted to make in a normal year.

He also noted something else; that wherever co-operatives had been established—and the establishment of co-operatives has proceeded apace, very largely under the leadership of the university of St. Francois Xavier in Nova Scotia—or where the fisherfolk received cash for their product, the condition of the whole community had greatly improved.

As I said before, at this stage it is not proper to discuss any of the fifty sections, and I do not propose to do so. That will come when we are discussing the legislation. However, I do want to say something about the necessity of our working together in an effort to develop the material resources of the island for the purpose of raising the standards of living and preventing further exploitation by monopolistic and selfish interests, from which the masses of the people of Newfoundland have suffered from the very beginning. We should consider Newfoundland and Labrador as part of the whole maritime region, which incidentally is a region that cries aloud for a new deal. We believe the federal authority, of course in co-operation with the provinces, of which now Newfoundland will be one, should institute a policy to encourage the location of industry and investment so that the whole maritime region will be protected from further exploitation by powerful interests with head offices in central Canada or elsewhere.

The other day we heard a great deal about the centralization of government. In my opinion the real danger of the loss of provincial independence, yes, of individual independence, is not in the dominion-provincial tax arrangements made by this parliament with seven of the provinces, but in the concentration of financial and economic power in the hands of a few wealthy individuals or corporations in one or two of the provinces of Canada. Not many months ago the present leader of the opposition, then premier of Ontario, stated that 52 per cent of all industrial and military production during the war came from Ontario. Granted, that was a fine record for the managers and workers in industry in this province, a record of which they can be very proud. But is it not an indication of the tremendous concentration of industry in one province, if the hon. gentleman's figure is right, especially since the bulk of the remainder of Canadian industry, 48 per cent, is concentrated in one other province? It is all very well to argue that Canada has grown strong because the provinces control certain resources which make for national strength; but to say, as the leader of the opposition did on January 28, that—

> —the strength of this country has been built upon the combined strength of all the governments . . .

—is unfortunately simply not in accordance with the facts. The fallacy of that statement is that some provinces are weak, not because they signed tax agreements but because of the concentration of industry, wealth and power in a steadily diminishing number of corporations located in a few places, and mainly in two provinces. Yet it should be noted that the masses of the people of Ontario by and large are no better off than the masses of the people in the other provinces of Canada.

We welcome Newfoundland, then, on another count; because it will tend to strengthen the position of the maritime provinces and the other "have not" provinces, and to highlight their problems. Indeed, the addition of another "have not" province will assist all the other provinces similarly situated. If I may once more use the phraseology of the leader of the opposition the other day, this will help provide further checks and balances, not only against over-centralization of power in this parliament but against over-centralization of financial and economic power anywhere in Canada. Indeed, in my

opinion the tax agreements represent the only attempt yet made in Canada to decentralize this vast power in our country by effecting some redistribution of public revenue among them.

But more than a policy of financial decentralization is essential. Already since the war we have seen serious unemployment affecting Halifax, Trenton, Cape Breton, and other maritime industrial centres. When the closing of the Trenton steel works and its removal to Montreal was being investigated, the president of Dosco defended it on the ground that to continue or expand the industry in Trenton would be uneconomical. Well, it is all very well to say, as the leader of the opposition said, that—

> —the great developments that have taken place in the nine provinces have very largely been the result of the wise and intimate guidance of the provincial governments in each of those provinces.

But the function of the national government surely must be to give wise guidance to the national economy, so that all parts of the country may share in the development of our resources and the benefits derived therefrom. In other words, this parliament should have a positive economic policy for all Canada. What is needed is a national policy to provide the maritimes, now including Newfoundland, with the means to supply opportunities for maritime youth in the maritime region, just as we should have a policy to provide opportunities for prairie youth in the prairie region and for Pacific youth in the Pacific region. The centralization trend, economically and financially, can be reversed only by the national government, which must have both the financial resources and the power to achieve a positive development program.

I suggest to the house that we might find some inspiration in what has been done in the United Kingdom since the war to reverse a similar trend and to assist the depressed areas of England, Scotland and Wales. Indeed it is not only socialist theory but economic necessity which has caused the Labour government to nationalize some facilities and to propose the nationalization of some others, including the steel industry. By controlling the banking and credit policies of the Bank of England and by directing national investment, as well as using its power of granting priorities on things in short supply, since the war the British government has encouraged the building of more than seven hundred new and important factories, more than four hundred of which have been built in depressed areas. Last evening I was talking over the telephone with a gentleman, not a resident of Canada but from New York, who has just spent six months in Britain; and he told me that the transformation in the depressed areas was nothing short of miraculous. He mentioned particularly conditions in Cumberland, where before the war some thirty to forty per cent of the people were continuously idle and unemployed. He went on to say that within a month or two that area will have a shortage of labour.

Some delegates to the parliamentary conference last September and October visited South Wales, for example. I was not one of that party, but they told of the tremendous industrial expansion and mounting level of employment in that depressed area, where for years before the war misery, poverty and unemployment dominated the countryside.

The effect of this is also improved housing, improved health and a tremendous drop in the death rate, particularly the infant mortality rate. Taking as an illustration the northern city of Jarrow, which Ellen Wilkinson once described as the city that was murdered, in 1934 the infant mortality rate was 95·82 per thousand, far above the national average of 61·92. Last year, because of the relocation of industry and employment, it fell below the national average, to 39·68 per thousand.

Side by side with the decentralization of industry, requiring for our own country, incidentally, a program of housing, the expenditures on ill-health will drop sharply. The effects of malnutrition and overcrowding are minimized or largely prevented when you have industry, employment and all that goes with it. I say, then, that the entry of Newfoundland into confederation should be an occasion when this parliament should be considering policies that will give new hope to the maritime area. The problems of Newfoundland are similar to those of the maritime areas; transportation, economic development and the marketing of products. I say this is a challenge presented to this parliament at the present time, a challenge to adopt a really imaginative national policy.

It is my contention that no single province, no matter how rich, can alone undertake this kind of thing successfully, for it requires a careful survey of the primary products and resources of the country so that a decision can be reached as to the types of industry which should be located in the several areas that are under-industrialized or depressed. Then, of course, an intelligent national plan for the utilization of our resources is required. Along with that a conservation policy should be formulated, adopted and indeed put into effect. I know that, when Newfoundland comes into this confederation, Newfoundland as well as our other provinces will need a policy of that description for the conservation and intelligent use of resources. Along with that should go a national transportation policy which would serve the nation instead

of emphasizing the discrimination in facilities and rates which now exists. All this would have a great psychological and material effect, not only on the maritimes but on the whole country.

When I was speaking last week on the address, I noted that there are difficulties ahead, difficulties which have been obscured, postponed or minimized because of the post-war demands and the European recovery program. Our whole economy is, indeed, very vulnerable. An imaginative plan for the development of Canadian resources, including Newfoundland, in the interests of all parts of Canada and particularly in the interests of the depressed or potentially depressed parts of Canada, should be formulated and begun. As I have said before, I think that is a challenge to this house and an opportunity which the entry of Newfoundland into confederation brings forcibly before us. So far as we in this party are concerned, we are prepared to co-operate in accepting that challenge and trying to do something effective about it.

Is there any other reason, Mr. Speaker, except that of the economic policy of the financial and industrial monopolies which have located in the central Canadian provinces, why the prophecy of Sir Leonard Tilley should so long have remained unfulfilled at least in part? Speaking in this house in 1879 Sir Leonard Tilley said this:

> I am not, I think, over-sanguine when I say the day is not far distant when the population in the western country will be greater than in Canada and when the maritime provinces with their coal, iron and water power will be the manufacturing centre for this vast dominion.

Perhaps he was over-optimistic so far as the maritimes and the western part of the country are concerned. But, in large part, the vision should have materialized, because the resources are there.

Those of us who can look back on the war years can remember a discussion before the war expenditures committee of this house when the late member for Vancouver-Burrard, Mr. McGeer, the present member for New Westminster (Mr. Reid), the present member for Victoria (Mr. Mayhew), myself and others urged there should be some decentralization of the steel industry. We urged that if at all possible steel should be produced where the plates were being used, and that the valuable deposits of coal and iron on Vancouver island might form the basis of a Pacific coast steel industry to supply British Columbia shipyards. We were told categorically by the steel controller of that day that no such development would be permitted because the steel industry was already well located; and, when the war was over, expanded production might be an embarrassment to the steel industry as established owing to a falling-off of demand or the import of foreign steel.

While Sir Leonard Tilley may have been too enthusiastic in his vision, yet there are no reasons, other than those I have given, why industry should be centralized or why it should become concentrated more and more, not only in one or two provinces, not only under the control of one or two corporations and individuals, but under the control of industries which have become monopolistic in their character and in their methods. To my mind, at least, the partial fulfilment of this vision of Sir Leonard Tilley lies largely in the hands of the present members of this House of Commons.

Newfoundland will come into confederation with her great resources, many of them unsurveyed and many of them unknown. Not long ago, I read a statement by a Roman Catholic prelate who had spent many years on the island, Monsignor Sears, who spoke of the fine agricultural possibilities in western Newfoundland. Again, the problem of conservation enters because that is where lumber is being cut. If we are going to have agriculture, as we are finding out in many parts of our country, we have to conserve our trees or reforest the slopes when they are denuded.

I am very glad that this resolution gives us an opportunity of thinking not only of the great historic event of the entry of Newfoundland into confederation, but also of her sterling people with their interesting history, people who have fought against great odds in the past and are fighting against them now. They will add much to our Canadian nation. It offers us too the opportunity to think not only of the future of Newfoundland but of the future of the maritime region, and indeed of that of all of Canada, and to impress upon us that we must do our part in the building of a far greater nation than even the fathers of confederation visualized when they planned complete confederation of the scattered colonies over eighty years ago.

Mr. Solon E. Low (Peace River): Mr. Speaker, it is not my purpose to take a great deal of time this afternoon, because I feel that the ground has been quite adequately and well covered by the speakers who have already taken part in this debate. I feel, however, that we would be remiss in our duties and responsibilities if at this time we did not say something to indicate that we too, in our great movement across Canada, support the principle of this resolution without any qualification. The social credit movement rejoices that the process of confederation, which started more than eighty-five years

ago, seems now to be entering its final stages. We join in welcoming Newfoundland into the Canadian community of provinces, the Dominion of Canada. To her, if she should choose to ratify the agreement which will be brought before us in due course, we extend the warmest possible welcome. At the same time we express the sincere hope that divine Providence will set His seal upon the greater Canada to the end that she may go forward and realize fully her great destiny.

I hope that the terms of agreement between our two countries, as finally approved, will be so satisfactory to both the people of Canada and the people of Newfoundland that it will stand unchallenged for many years to come. I confess, though, that I have felt some misgiving arising out of the fact that, when the second referendum took place on July 22, 1948, only 44 per cent of the electorate voted for confederation. It is true, I admit, that, of those who voted, a majority voted for union. I do not suggest at all that anyone was at fault except the electors themselves, in that they did not get out to the polls. I believe, however, that we all could have felt more secure and happier about the result if sufficient interest had been taken by all the electorate in Newfoundland so that, when the vote took place, there would have been an undoubted, over-all majority of the electors supporting union. I hope of course that the great majority of the people of Newfoundland will eventually come to understand and appreciate the step that is being taken and that they will eventually give to it their wholehearted support.

Much has been said this afternoon about the people of Newfoundland and about their great country. Thus far all the speakers have extolled the virtues of Newfoundlanders, and quite rightly so. I share in the admiration that has been expressed for this great people and for what they have accomplished under, as we all understand, great difficulties. If the Newfoundlanders confederate with us, they will definitely enrich the sum total of the qualities of the people of greater Canada. Their spiritual, moral, physical and cultural qualities are certainly no less than our own. We know of course that their country possesses resources and strategic values of great importance. We appreciate all of these; nevertheless the advantage will not be all on one side. Let me say that if we are fortunate enough to have Newfoundland join with Canada, Canada will gain much. At the same time, let me say that Newfoundland also will gain much. We have here the greatest country on the face of the earth, and I say that in full realization of the magnitude of the statement I am making. I believe, and have always believed, that Canada has a great destiny. I believe that in the years to come Canada will prove to be the real bulwark of the whole of America, not only materially, but spiritually and morally as well.

I have always appreciated the fact that Canada is the one part of America that retains by statute observance of the Sabbath day. That fact gives to our country a moral strength which cannot be found in any other part of America. It may not be appreciated now, but I am strongly hoping that certain forces in our country, who today are moving to repeal that statute and to throw open the Sabbath day to the same activities that take place on week days, will forget their aims and objectives and join with us in maintaining in this country the Sabbath day as it should be.

When Newfoundland comes in, if she chooses to approve this agreement, I express the hope that she too will join with us in trying to defend what we consider to be one of the fundamental strengths of our great country. We have in Canada, in my opinion, a people second to none anywhere in the world. We have a country which, if properly developed on sound economic lines, can yield to its people a standard of living unequalled in any part of the world. We also have in our country, and it is a fact we all appreciate, a forward-looking people who, though they are sometimes given to inertia, when they are moved gather momentum and in due course, I think, find the right path and do what is right.

I say these things for the reason that I do not want it said at any time that, on this historic occasion, we did not point out to our friends from Newfoundland who may join with us, as we hope they will, that they are fortunate in the opportunity that confederation offers to them, just as we are fortunate in having them join with us. When our country, in very fact, reaches from sea to sea, Mr. Speaker, let us express the hope that, from one end of that greater Canada to the other, our people will join hands and march forward determined to make this country the finest place in the world in which to live; to build the happiest people it is possible to find anywhere on the face of the earth; and indeed to build here for the western hemisphere a real bulwark, spiritual, material and moral.

Hon. Brooke Claxton (Minister of National Defence): The speakers who have preceded me have all referred in the most fitting and eloquent terms to the importance that the entry of Newfoundland will have in the consummation of the dream, the work and the achievements of confederation. One newspaper said that this is one of the great historic developments of the year. This, sir,

will have been one of the great historic developments of any year in the history of Canada. And what is more, its importance transcends even our own national interests and our own national hopes, because this is one of the few occasions in recent years on which it is possible to speak of union rather than disunion, of construction rather than destruction. And when we see, as we have seen around the world, disunion, revolution and disorder, it is a great forward step that we in Canada and our neighbour Newfoundland should be able to point to this as a constructive achievement in the completion of confederation. But further, too, it is significant that this union should be coming at a time when we are looking forward to the consummation of a pact—also a union—of north Atlantic nations in the proposed north Atlantic security pact.

It is something more than a coincidence that these two great events in the history of our country should be brought about at the same time and for reasons which contribute one to the other. We can point to this work of union, this work of good will, this work of construction. The only other kinds of unions that have been consummated in recent years are unions whereby country after country has been brought under the domination of the soviet union by coercion, by force and by revolution. Our union today is being brought about by co-operation of men of good will, of men who have the same traditions, the same historical background, the same racial origin, and who also, as long as there has been any knowledge of North America in Europe, have lived on this continent beside each other.

It is interesting, too, that we should consider this proposal against the background of the act of confederation itself; for union will be the final achievement of what was begun in 1867. Confederation was brought into being in consequence of the discussions between the representatives of the various colonies in British North America, begun at Charlottetown in 1864 and continued at Halifax, Saint John and Fredericton, and then carried on again at Quebec with representatives there from the colony of Newfoundland. It is greatly to be regretted that it was not possible at that time to consummate this union. But it was possible there to make the beginning of the great nation of Canada, and so we saw added to the original group under the provisions of section 146 of the British North America Act or other legislation Manitoba in 1870, British Columbia in 1871, Prince Edward Island in 1873 and Alberta and Saskatchewan in 1905. They formed the original nine, and we are now completing this union of the colonies of British North America of 1867 to form the nation of Canada of 1949.

The Prime Minister (Mr. St. Laurent) referred to some of the differences in the nature of the problem that faced the representatives of the governments of Canada and of Newfoundland when we sat down in 1947 and again in 1948 to discuss the terms together. Just imagine how conditions have changed since 1905. This brings into focus the new factors that have to be determined, the additional complexities and the new and greatly extended functions of government. In 1905 there was no social security, there were no old age pensions or pensions for the blind, there was no unemployment insurance, there were no family allowances and there was no veterans charter. On the material side there was no civil aviation and there was no broadcasting, nor was there any income tax.

These matters that I have mentioned represent the immense change that has taken place in the functions and in the scope of government, but they also show an immense increase in the complexity of the subjects that had to be dealt with in the discussions with representatives, first of the convention, and then of the government of Newfoundland. These discussions started, as has been said by the Prime Minister, in 1947 when representatives of the cabinet met for several months with a committee representing the convention. In consequence of that discussion a proposal was produced headed "Proposed arrangement for the entry of Newfoundland into confederation". The subheading is very important. It reads as follows: "Terms believed to constitute a fair and equitable basis for union of Newfoundland with Canada should the people of Newfoundland decide to enter into confederation." It is dated October 29, 1947. By a letter dated the same day it was forwarded to His Excellency, Sir Gordon Macdonald, K.C.M.G., governor of Newfoundland, by the then Prime Minister of Canada, Mr. W. L. Mackenzie King. These terms for proposed arrangements had been worked out by the committee representing the convention under the chairmanship of Mr. F. G. Bradley, K.C., and by the Canadian government under the then Prime Minister, Mr. Mackenzie King.

These terms were made available to the governor and the government of Newfoundland and then they were tabled in the house and released to the press. The terms were before the people of Newfoundland when on the second referendum they decided to enter confederation. I would submit that those who have some difficulty over the fact that the terms of union have been negotiated with

representatives of the government of Newfoundland, rather than with those appointed to represent a responsible government in Newfoundland, must take into account the fact that first it was the British government which decided to put the question as to whether they wished to enter confederation on the plebiscite which was put before the people of Newfoundland; and, secondly, that at the time, when a majority of the people answered yes, they had these terms before them, and those terms had been explained by representatives of the people, including the members of the convention who had sent representatives to discuss the terms here.

That having been done, I submit this government had no choice but to proceed to meet the representatives of the government of Newfoundland. Once there was a plebiscite on whether or not Newfoundland should enter confederation, once the people with the terms before them had decided in favour of entering confederation, then this government could not do other than express its willingness to entertain negotiations and to discuss the terms of union with the representatives of the Newfoundland government. It really is as simple as that. Once the British government had allowed the question of joining confederation to be put before the people, then this government had no choice whatsoever in the subsequent course it followed. In consequence, the government of Newfoundland, acting through the commission of government, appointed the seven gentlemen, whose names were given by the Prime Minister (Mr. St. Laurent), to come here to enter into negotiations.

They arrived and were met; and I should like to tell the house something of the course of those negotiations. We recognize that this is an historic occasion, and it may be useful for our own people, yes, and perhaps for future generations, to have a note placed on *Hansard* as to the way in which negotiations were carried on. As a member of the cabinet committee, I had something to do with those negotiations and as deputy chairman, when the Prime Minister could not attend, it was my responsibility to preside at the conference, and to do a good deal of the work of preparation and discussion at all stages.

My experience in conferences includes the dominion-provincial conferences of 1941, 1945 and 1946, and conferences with representatives of the provinces dealing with different matters at different times, as well as conferences with other nations dealing with various aspects of international affairs. Thus far, no conference at which it has been my privilege to represent the government or the country has been conducted with closer attention to the sole interests and welfare of the people concerned—in this instance, the people of Canada and the people of Newfoundland than was this conference.

I should like to pay tribute to the delegation representing Newfoundland, under the chairmanship of a most distinguished lawyer, citizen and statesman, in the person of Sir Albert J. Walsh, K.C. As chairman of the Newfoundland delegation he showed great capacity—and tenacity, too—in explaining the position and rights of the people of Newfoundland. He put forward those views he felt it his duty to express, and did so with a courtesy and fairness as well as a frankness which inspired the whole proceedings.

That was the atmosphere in which the work was carried on. There was no bickering; there was no backbiting; there were no recriminations; there were no leaks, either accidental or inspired; there were no occasions when there was a lack of frankness; there were no charges. There was the steady and competent effort by well-meaning people to see if they could not arrive at a fair and equitable basis upon which our two countries could enter into union and partnership.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Claxton: The conference began to meet on the 6th of October of last year, and was continuously in session until the terms of union were settled. The conference had its final plenary session in the Senate chamber, as it did its opening session, on the 11th December. Thus some two months were occupied in arriving at the terms. In addition to the plenary sessions of the conference, a number of subcommittees were set up. They are enumerated on page 81 of the report and documents which the Secretary of State for External Affairs (Mr. Pearson) tabled today. They included subcommittees on drafting, finance, fisheries, transport and veterans affairs, which met in practically continuous session from the beginning to the end.

The subcommittee on drafting, in addition to considering the form which the terms of union and the bill should take, also considered the Canadian statutes and the Newfoundland statutes that might be affected, as well as the procedure that might be adopted in making a submission to the parliament at Westminster. Altogether the subcommittee on drafting produced not less than fourteen drafts of the terms of union after they had begun to be submitted to the plenary conference, and also a number before. This work, as I say, continued night and day throughout

the more than two months from the 6th October until the 11th December of last year. On the 11th December the terms of union were signed by representatives of Canada and Newfoundland at the ceremony in the Senate chamber.

In addition, a number of points had been raised by the Newfoundland delegation in the course of the proceedings. Many of these were put in the form of written questions, and others were raised from time to time throughout the deliberations. It was decided in the end that they should be dealt with in a document accompanying the terms of union and headed, "Statements on questions raised by the Newfoundland delegation during the negotiations for the union of Newfoundland with Canada." These were transmitted by the Right Hon. Louis S. St. Laurent as Prime Minister of Canada in a letter dated December 11, 1948, addressed to Mr. Walsh, chairman of the Newfoundland delegation. He said in the letter:

> During the course of our negotiations covering the final terms and arrangements for the union of Newfoundland with Canada, a number of questions concerning government policy were raised by your delegation and answered by the Canadian government. In addition a number of temporary administrative arrangements were settled in order to facilitate the union.
>
> It would not seem fitting to include in formal terms of union matters of this kind, since they are scarcely of a constitutional nature. I am therefore sending you the enclosed memorandum covering these various items. While these will not form part of the terms of union, they contain statements of the policy and intentions of this government if union is made effective by the approval of the parliament of Canada and the government of Newfoundland, and confirmed by the parliament of the United Kingdom.

These statements in reply to the questions raised by the Newfoundland delegation were forwarded to the Newfoundland delegation and constitute a statement of government policy or administrative intentions on the various points that they cover.

I am sure hon. members will realize that this result was made possible by the assistance of very competent officials. Both the Newfoundland delegation and the Canadian representatives were fortunate in that respect. On the Canadian side a number of officials participated, representing every department, agency and activity of the government. I should like to refer particularly to the work done by our high commissioner in Newfoundland, Mr. J. Scott Macdonald, who was succeeded at the time of these negotiations by the Hon. Charles J. Burchell, K.C., who returned to Newfoundland for the purpose, and who assisted in the discussions by securing information for the government, and also by facilitating the Newfoundland government in obtaining information about the situation in Canada. Through this instrumentality and also through other officials such as Mr. J. R. Baldwin, who was secretary of the conference and of the Canadian delegation, and Mr. R. A. MacKay of the Department of External Affairs, there was the freest possible interchange of information, and at every stage the work was facilitated in consequence of the public spirited service of these officials.

The Prime Minister (Mr. St. Laurent), the leader of the opposition (Mr. Drew), the member for Rosetown-Biggar (Mr. Coldwell), and also the member for Peace River (Mr. Low), in their speeches this afternoon, referred to the character and the characteristics of the people of Newfoundland. Our experience during these negotiations extending over a period of a year and a half completely confirms everything that has been said in praise of the people of Newfoundland. Our experience could not have been better. It is also confirmed by the experience of the Canadian soldiers, sailors, and airmen who served in Newfoundland during the war. The Prime Minister and the leader of the opposition referred to the great part played by Newfoundland in the first as well as in the second world war. It appears that in the first war a total of more than ten thousand residents of Newfoundland served in their own forces and in the forces of Great Britain, Canada, and the other allied countries. In the second world war a total of more than ten thousand served overseas, and in addition some 1,500 men and 600 women served in the Canadian armed forces. Altogether a total of something like 13,000 saw service of one kind or another. In his book "The Canadian Army, 1939-1945" Colonel C. P. Stacey, director of history, has this to say at page 43:

> There was close co-operation between the Canadian and Newfoundland governments from the outbreak of war. Newfoundland afforded all facilities to the R.C.A.F.; Canada provided Newfoundland with equipment including some coast defence guns; and when France collapsed in June, 1940, steps were immediately taken to safeguard the great airport at Gander and the seaplane base at Botwood. An infantry battalion and a flight of bomber reconnaissance aircraft, now hastily despatched, were only the vanguard of larger forces.

Then Colonel Stacey goes on to describe the very close co-operation at sea, on land and in the air between our armed forces. In a book to be published shortly under the authority of the Minister of National Defence, on naval operations during the war, written by Joseph Schull, this is said:

> St. John's was a hospitable and storied capital where few men lacked a home to go to for a meal. There were friendly hostels, provided, stocked and operated by Canadian service organizations; and there was a St. John's hospitality committee which could receive and fill without blinking the request of an incoming ship for a hundred girls and a dance "tonight" . . .

Newfoundland

Perhaps nowhere in the world was there a garret exactly like the Crow's Nest; fifty-nine steps from street level up the outside of an old store building—officially named the Seagoing Officers' Club and open to officers of the allied fighting ships and the merchant navy. Reminiscences went round the world, and doubtless are still on the wing, of that loud and smoky room where ships' crests and bells and trophies hung thick on every wall.

It is true to say that, in the hearts of the officers and men of our navy and our merchant marine, St. John's occupied as large a place as any Canadian port. It was regarded as the home port of a large part of the Canadian fleet. On this account, as well as the others that have been mentioned, we shall be especially glad to welcome Newfoundland into confederation.

But this story of working together in our common defence is not a recent one. It is reported that five companies of the Newfoundland regiment were sent to Upper Canada during the war of 1812; and I am glad indeed that, in the terms of union, reference is expressly made in paragraph 44 to defence establishments, as follows:

Canada will provide for the maintenance in the province of Newfoundland of appropriate reserve units of the Canadian defence forces, which will include the Newfoundland Regiment.

So if union is consummated it is our intention to see that this great regiment is perpetuated, with its name and its traditions, as one of the components of the Canadian armed forces. By joining the military traditions of Newfoundland and Canada, we will be enriching both.

Mr. MacNicol: Would the minister add just a word about the distinguished record of the Newfoundland Regiment in Upper Canada during the war of 1812? In Toronto we have a monument erected in its honour.

Mr. Claxton: I shall be glad to. I referred to the regiment a moment ago.

Mr. MacNicol: I heard what the minister said, but I did not hear any reference to the victories of this regiment in Upper Canada.

Mr. Claxton: That is what I was referring to. Mr. Speaker, Newfoundland forms part of the geographical pattern and formation of North America. This island with a population of 330,000 has an area of 42,000 square miles, larger than Ireland and amounting tc 84 per cent of the combined area of the maritime provinces. But in addition Labrador, which since 1927 has been found to form part of Newfoundland, has an area of another 110,000 square miles. Newfoundland is situated at the mouth of the gulf of the St. Lawrence; and those of us who have come home from abroad, on coming within sight of Newfoundland going through the strait of Belle Isle, have felt that if we were not at home, at least we were getting close to it. It will be a source of the greatest possible satisfaction to us in the future if, when we reach the island on the way home, we really can feel that this is part of our home, our native land.

Then, sir, the resources of Newfoundland have been referred to. They have great fisheries. They have two great pulp and paper plants, one of them, Bowater's, being the largest paper mill in the world. There are seventy-five firms constituting secondary industries, with some 3,500 employees; and in addition to the iron ore mines of Belle Isle there are various other mineral deposits. Our belief is that, properly explored and developed, these resources of Newfoundland will soon establish the soundest possible economic as well as historical, racial and geographic reasons for union.

Our conviction is that it is in the interests of both countries that we should join together. Common experience is that generally speaking a marriage between fairly mature adults is likely to be successful, because they have gained something in the way of tolerance and understanding. Our hope is that that understanding will help us over the difficult times, because there will be difficult times, in working out the terms of our union. On the basis of our separate experiences, we will be able to build a better common life than either of us can separately. There is every reason for our supporting this measure. I am sure it will be a matter for the utmost gratification to the people of Newfoundland, as well as to the people of Canada, that the debate on this subject should have been carried on in a way which recognizes to the full that this is an important occasion in the life of Canada.

At the time of confederation, Mr. Speaker, D'Arcy McGee, who then represented part of the constituency I have the honour to represent, said this:

I see, in the not remote future one great nationality bound, like the shield of Achilles, by the blue rim of the ocean. I see it quartered into many communities, each disposing of its internal affairs, but all bound together by free institutions, free intercourse and free commerce. I see a generation of industrious, contented, moral men, free in name and in fact—men capable of maintaining, in peace and in war, a constitution worthy of such a country.

I believe that that hope, Mr. Speaker, and that aspiration of D'Arcy McGee is now being realized in the union of Newfoundland with Canada, for the good of both our peoples and, we believe, to the benefit of the people in other countries as well.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I should like to endorse the opinions expressed by all the members who have preceded me in this debate in their references to the good will which has prevailed between the people of Newfoundland and the people

of Canada during so many years. The right hon. member for Glengarry (Mr. Mackenzie King), in welcoming the delegates to Ottawa on June 25, 1947, expressed, I believe, the sentiment of all Canadians when he said:

> In welcoming you, we welcome neighbours and kinfolk who, with us, owe a common allegiance to the crown and whose countries are members of the British commonwealth. History and geography have given us much in common. We enjoy with you the heritage of British freedom and the even older heritage of Christian civilization. We have shared together the perils and sacrifices of two world wars. Side by side, we face the uncertainties of the post-war world.

The leader of this group this afternoon mentioned some of the common problems we must face along with the people of Newfoundland. The people in Newfoundland will be a long distance from Ottawa. They will experience the difficulties which others, who are also a long distance from central Canada, have experienced since confederation. I believe this parliament must be very sure the acquisition of Newfoundland should not be regarded as a new empire to be exploited by vested interests.

I should like to discuss this evening a problem which so far has not received very much consideration during this debate, namely, the point of view of the 71,334 or the 47·66 per cent of the people in Newfoundland who voted for responsible government. Very frankly, I admit I cannot pose as a competent authority on Newfoundland's history or problems. I did, however, spend a week in Newfoundland in December. It was something of a shock to me to find so much bitterness there over the question of confederation. This is a problem which the rest of us in Canada would do well to consider carefully. I realize it is not primarily a Canadian problem, but we must face the fact that 47·66 per cent of the people voted for responsible government. Here is a minority coming into confederation feeling that they have real grievances.

I should like to take a little time tonight to present a point of view which I found in Newfoundland. I might say I was rather surprised to find that Newfoundland is so isolated from Canada. I happened to be there the day after the terms of union were signed. The following day, when the by-election was held in the constituency of Digby-Annapolis-Kings, I was curious to ascertain the outcome of the elections, and I checked with the only radio system there, as well as with the newspapers, to find out what word there was from Canada. I was told that news from Canada had to reach Newfoundland via London and the people of Newfoundland would not expect to hear any news of the by-election on the radio until the following day. It was a matter of surprise that we had not had Canadian Press service in Newfoundland during these years. You will recall, too, that during the years we in Canada have had very little information concerning events in Newfoundland.

If I had not spent that week in Newfoundland, I would have allowed this resolution to pass without raising the point I plan to discuss with the members of the house tonight. I should like to remind you that, as has already been pointed out, Newfoundland played a very active part in world war I. They added to their national debt to the extent of over $50 million and then, in the years following the war, found themselves in a difficult financial position. In 1931, Newfoundland appealed to the British government for financial assistance, but was not satisfied with the terms offered by the British.

In 1933, Newfoundland consented to the setting-up of the Newfoundland royal commission, better known as the Amulree commission. The king's warrant sets out the objective of this commission.

> —to examine into the future of Newfoundland and in particular to report on the financial situation and prospects therein.

The recommendations of the commission are well known, but it might be mentioned that, in producing the papers relating to the report of the royal commission, it was pointed out that:

> His Majesty's government in the United Kingdom would think it a little less than a disaster if the oldest colony in the British empire were to default in its obligations. On the other hand it is clear that the present burden of the debt is more than the people of Newfoundland can, for the time being, discharge unaided despite the utmost effort.

The recommendations were as contained in the report of the Newfoundland royal commission, one recommendation being as follows:

> The existing form of government would be suspended until such time as the island may become self-supporting again.

A second recommendation, found in the report of that commission, reads as follows:

> It would be understood that, as soon as the island's difficulties are overcome and the country is again self-supporting, responsible government, on request from the people of Newfoundland, would be restored.

Since 1933, the people in this important island have been denied the right to elect their members to transact the business of the country. As I stated, it was clearly set forth in 1933 and 1934 that this was a temporary arrangement and that, when the economic position of the island improved, the democratic rights of the people would be restored.

The war years brought prosperity to Newfoundland, as they did to many other parts of

the world. The Canadians, British and Americans made large expenditures in Newfoundland, and by 1941 it seemed as if the economic position had improved to the point that the island might consider getting responsible government. In 1943 the then secretary of commonwealth affairs went on record as follows:

> The arrangements made in 1933 included a pledge by His Majesty's government that as soon as the island's difficulties had been overcome and that country was again self-supporting, responsible government, on request of the people of Newfoundland, would be restored. Our whole policy is governed by this undertaking.

Mr. Diefenbaker: What date was that?

Mr. Nicholson: That was December 2, 1943, In 1946 the commission of government passed the Convention Act, which was referred to this afternoon, and this national convention was in session for about a year. I believe the Prime Minister reported this afternoon that the convention sent a delegation to London, to Ottawa and to Washington. My information was that a proposal was made to send a delegation to Washington to consider the question of linking up with the United States but that the proposal was defeated. Delegations went, however, to London and to Ottawa. While the delegation was in London, I am informed, the question of the type of plebiscite to be presented to the people was discussed with Lord Addison, who was then secretary of state for commonwealth affairs, and he was asked this question: If three forms of government were recommended to be put on the ballot by the convention, would all three go on? His reply was:

> If you recommend it, I should think so; but I should be bound to be advised by the convention.

Later he said:

> If a substantial majority of the convention said "we would like these questions put to the people," I feel pretty sure I should be most anxious to give effect to their wishes.

As was mentioned this afternoon, there was a proposal that, in addition to putting on the ballot the question of the continuation of commission government and the question of restoring responsible government, public opinion should be tested on the question of confederation with Canada. That proposal was defeated, 29 to 16. I have been interested in reading the information which was tabled this afternoon by the Secretary of State for External Affairs (Mr. Pearson). At page 10 of the document I find the following:

> The national convention, before concluding its sessions, resolved by unanimous vote to recommend that two questions, restoration of responsible government and continuation of commission of government, should be included on the referendum ballot; but by a vote of 29 to 16 declined to recommend that confederation with Canada should also be included. The United Kingdom government concluded, however, that "it would not be right that the people of Newfoundland should be deprived of an opportunity of considering the issue at the referendum," since the terms offered by the Canadian government had been the result of long discussions with a body of Newfoundlanders elected to the convention . . .

Then later on in this report, at page 71, there is a copy of a letter from the commonwealth relations office discussing this question, and I am not at all convinced by the reasoning. Mr. Noel-Baker, in paragraph 4, says:

> His Majesty's government in the United Kingdom appreciate that there has been a feeling amongst some members of the convention that the entry of Newfoundland into a confederation with Canada should only be arranged after direct negotiations between a local responsible government and the Canadian government. The terms offered by the Canadian government represent, however, the result of long discussions with a body of Newfoundlanders who were elected to the convention, and the issues involved appear to have been sufficiently clarified to enable the people of Newfoundland to express an opinion as to whether confederation with Canada would commend itself to them. In these circumstances, and having regard to the number of members of the convention who supported the inclusion of confederation with Canada in the ballot paper, His Majesty's government have come to the conclusion that it would not be right that the people of Newfoundland should be deprived of an opportunity of considering the issue at the referendum and they have, therefore, decided that confederation with Canada should be included as a third choice on the referendum paper.

I think it is unfortunate, Mr. Speaker, in view of the clear decision in the first vote of 29 to 16, and later on after a unanimous vote by the convention, that the British government decided to disregard the considered opinion of the convention. I submit that this is a grievance that will be remembered in Newfoundland for a great many years. As an impartial observer, I cannot see any good reason why the people of Newfoundland should not have had the first opportunity to decide whether or not they wanted a continuation of the commission government or wanted to have responsible government. I refer to the large number, 71,334, who voted for responsible government as compared with 78,323 who voted for confederation. I am well aware of the argument that in the first referendum there was quite a small vote for the continuation of the commission government namely 22,311. But let me remind you, Mr. Speaker, that of those voting, the largest number voted for responsible government. There were 69,400 votes for responsible government and 64,066 for confederation.

In the interval between the two votes, a great deal of propaganda was put out by those who wanted responsible government and by those who wanted confederation. When I was in Newfoundland I was given a copy of a "memorandum to the common-

wealth prime ministers now assembled in conference in London from the responsible government league of Newfoundland". I am sure a great many members of parliament have received copies of this memorandum. It draws attention to the fact that, after the decision had been reached by the most democratic process that the people had had for many years, those who were in the minority used the publicly-owned radio there to get signatures to a petition and to get telegrams sent into the British government to the extent of some 50,000. On the other hand, the responsible government people point out that while they wanted to present their point of view in connection with appealing their case to the British parliament, they have been denied access to the radio, and that they have not been given the same advantages as have those who were supporting confederation. The charge was made in this brief that large sums of money came from outside Newfoundland to influence the voting in connection with these plebiscites. These are extremely serious charges, and I think that the people of Canada are entitled to information as to whether the charges are well founded or not. I think the Canadian government should profit by the experiences we had in Canada following the signing of confederation in 1867.

For years we have had regional problems in Canada as a result of the tactics used in bringing about confederation. If in connection with bringing about confederation between Newfoundland and Canada there have been practices which should not be approved, the people of Canada should have full particulars.

In summing up their grievances, the responsible government league mentioned that in 1876 letters patent were granted. These were suspended in 1934 on the recommendations of the royal commission of 1933, when a firm undertaking was given that this was a temporary arrangement and that eventually, when economic conditions improved, responsible government would be restored. I do not accuse the Canadian government of being guilty in connection with these grievances. But our representatives who were negotiating should have gone out of their way to see that this commitment was fulfilled if at all possible.

The British North America Act of 1867 sets out specifically that the people of Newfoundland have rights which should be respected. Section 146 of that act reads as follows:

> It shall be lawful for the Queen, by and with the advice of Her Majesty's most honourable privy council, on addresses from the houses of the parliament of Canada, and from the houses of the respective legislatures of the colonies or provinces of Newfoundland, Prince Edward Island, and British Columbia, to admit those colonies or provinces or any of them, into the union, and on address from the houses of the parliament of Canada to admit Rupert's land and the northwestern territory.

It is clear to me that this important provision of the British North America Act is being disregarded in the negotiations which are taking place, because the people of Newfoundland have not been able to express themselves through a representative legislature, and those who have negotiated for them have not been elected by the people and are not responsible to them. As far as we are concerned, we should have been more anxious that this provision of the British North America Act should be given some attention by the British government and by the negotiating members of the representatives from Newfoundland.

In their representations the responsible government league point out that while a majority of 7,000 was secured in support of confederation, some members of the commission government ignored their obligations and duties by participating in this controversial question, and they pointed out, that when the people in Newfoundland did vote on the question, the terms that were proposed to them were later found to be unsatisfactory.

If the negotiations could have been carried on by the elected representatives of the people after they had full information on the problems that were being discussed we would not have had that dissatisfaction.

When I was in Newfoundland on December 20 my attention was drawn to a telegram which was posted in the post office in Grand Falls, a notice asking people to fill in their application forms for family allowances. I was later sent a form. At that time a great many people in Newfoundland were unwilling to accept the fact that Newfoundland was to be a part of Canada. They said to me: "By what authority are you Canadians coming into Newfoundland and distributing your propaganda?" A good deal was said about what family allowances were going to mean to Newfoundland, but while they were taking their case to the courts they thought it was quite unfair that Canadian family allowance forms should be circulated through the mail in Newfoundland, further aggravating the problem. I am aware of the justification for this conduct. We had given a commitment to make family allowances payable after March 31, but some consideration should have been given to the feelings of the 71,000 people who felt that circulating the family allowance forms and literature was disregarding their constitutional rights while they were trying to get the British government to reverse the decision or trying to carry their case to the highest possible tribunal.

In conclusion, I should like to plead with hon. members in all sections of the house to face up to the fact that here is a minority problem that will embarrass us for some considerable time. I am familiar with the comment made by a great many that in this point of view I am expressing the case of the wealthy people in the Avalon peninsula. I need not tell the house that my contacts were not with the millionaires in St. John's. I tried to find a fairly good cross section of opinion in Newfoundland, and we must try to recognize that an injustice has been done in the methods which have been adopted in the negotiations. I do not suggest for a moment that all the wrong is on one side and all the right on the other. I do not propose to take sides in what is really a Newfoundland domestic problem, but it does vitally affect Canada and it is the duty of all hon. members to admit frankly that there is a problem there and that together we must try to solve it.

I have no doubt that eventually the people of Newfoundland will be happy members of our larger Canadian family. I agree with the Minister of National Defence (Mr. Claxton), who suggested that marriages which take place between mature adults can result in a happy future for the participating parties. There are also adjustments which have to be made by people who marry late in life. The negotiating parties should have full information regarding all the details which have occurred in connection with the arrangements leading up to the marriage. I should like to express the hope that people in all parts of Canada will co-operate with our friends from Newfoundland, who will become a part of the country, and that we shall see to it that we can all work to establish a better Canada than we have ever known before.

Mr. G. H. Castleden (Yorkton): I wish to endorse what has been said by the hon. member for Mackenzie (Mr. Nicholson). I do not think that any hon. members will misunderstand the stand that we are taking in this particular situation. Most Canadians will welcome Newfoundland and the people of Newfoundland as a sister province of our great nation. Surely nature intended that the north half of the North American continent should be joined together economically and by blood. What has happened quite recently is the discovery of great material wealth in ore in Labrador. This seems to have had something to do, at any rate, with the sudden interest which we Canadians and Americans have taken in recent months in the development of that great area.

Mr. Adamson: Nicolet-Yamaska has been conceded to the Progressive Conservatives.

[Mr. Nicholson.]

Mr. Castleden: The reason we object to this resolution is based on the fact that we feel there has been some miscarriage—

Some hon. Members: Hear, hear.

Mr. Castleden: —of some of the basic principles of democracy. We are here as the representatives of the Canadian people, having before us an agreement the terms of which this government has entered into with a delegation from Newfoundland. The basis upon which we are making our decision is that we, for the Canadian people, believe that on the basis of these terms Canada should form an agreement and an alliance to go into confederation with Newfoundland. But the sad fact about this whole arrangement is that no similar legislature in Newfoundland, elected by the people, ever had any opportunity to discuss this matter.

In a few weeks, if this measure becomes law, the parliament of Great Britain will similarly be deciding the fate of Newfoundland on the basis of an agreement of confederation between it and Canada. I say there is a very serious lack here, when the people of Newfoundland are denied that right. Surely they are the people more concerned than any others.

Definitely, there should be an opportunity for the people of Newfoundland, through a legislative body democratically elected by the people of that country, to take the terms of the agreement, place them before their representatives, have those elected representatives discuss the matter and decide it in a proper democratic way, as should be done by a real parliament. Surely this should be done in any country among the democracies of the British commonwealth of nations.

But what have the people of Newfoundland had? They have had no responsible legislature for a number of years. A commission has been governing that country since 1934, I believe. This commission carried on its work, and suddenly it was decided that a convention should be held. Under the authority of the British government they sat in convention. In that convention there were some forty-five representatives who, under their terms of reference, were instructed, I believe, only to investigate the matter and make recommendations. But instead of that, they have gone ahead with some kind of referendum—a referendum which has not given a very large or clear majority. Even those people who voted for confederation did not represent one-half of the voters on the voters' list, though, it is true, they represent 52 per cent of the people who voted.

But what did they vote for? Did they vote for some agreement? No; the agreement was brought into being after the vote.

Mr. Gibson (Comox-Alberni): They knew it would be fair.

Mr. Castleden: I do not think it is our problem. I do not think there is any question that the people of Canada would be fair with the people of Newfoundland; that is not the question at all.

Mr. Gibson (Comox-Alberni): They trusted us.

Mr. Castleden: It is their legislation. It is the right of a people in a democratic country, through their legislature, to have some say about the terms of an agreement which they are to enter into. That, it seems to me, is not right, and Canada's parliament should not be a party to an agreement under which such fundamental, basic, democratic rights are denied to a people who some day will be welcomed, as I know they will be, if they decide to come in. Let Newfoundland feel that we have stood here and fought for her democratic rights. Let her feel that we welcome her as a sister in a great dominion. Let her be convinced of our belief that fundamentally her people should have the full and proper democratic right, the basic right, to some say as to whether or not they accept the terms of agreement.

I hope I have made our position clear. We certainly would welcome Newfoundland, if she could come in. I think we could do it more wholeheartedly if we felt that all the people of Newfoundland and of Labrador had had a proper democratic part in making the decision and in drawing up the agreement.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I did not intend to take part in this debate, because I thought this afternoon that the hon. member for Rosetown-Biggar (Mr. Coldwell) stated very clearly the case for members of this group. But after listening to the last two speeches I have felt that members of the House of Commons, or the public generally, may think that there is a division in this group over the entry of Newfoundland into confederation.

Mr. Rowe: Better have a caucus.

Mr. Gillis: Such is not the case. This afternoon the Prime Minister (Mr. St. Laurent), the leader of the opposition (Mr. Drew) and the hon. member for Rosetown-Biggar did an excellent job in placing the facts of the matter before the house. Moreover, they gave, I believe, a comprehensive historical background, and the reasons why Newfoundland should enter confederation.

I rise at this time to say that I know something about Newfoundland and its problems. From where I have made my home for a good many years it is only ninety-six miles across the gulf. I have known many Newfoundlanders, and there are perhaps more of them in my constituency than in any other constituency in Canada.

Mr. MacNicol: There are over a thousand in mine.

Mr. Gillis: I believe the step now being taken to bring Newfoundland into confederation is one which should have been taken many years ago. My understanding is that Newfoundlanders are now being emancipated from a small group of fish merchants who have exploited them for the past three hundred years. As I said before, this is a step in the right direction.

Let me now say something which has not been said before. For many years the people of Newfoundland were allowed to enter Canada freely and to take employment here. During the winter months when they were not able to fish—and that is about the only industry on the island—hundreds of Newfoundlanders would come to Cape Breton island to work in the coal mines. They would find employment there during the winter months, and then return to their fishing industry when the season opened.

Since about 1931 that has not been permitted. The coal mining regulations in Nova Scotia were amended so as to preclude them from going into the mines and taking employment as coal miners. Consequently our immigration laws were amended so as to prohibit the entry of Newfoundlanders into Canada. They were treated almost as Europeans, or others coming from foreign countries. I thought that was a great disservice to the people in my part of the country because, as has been suggested by one hon. member, they are good workers and good citizens. Not many of them are to be found on relief, and they can turn their hand to almost anything. They have had to develop that technique because of the conditions under which they have lived in their own country. They had to be jacks of all trades.

Having said that, let me add that I am not quarreling with what happened in Newfoundland. I believe that those who argue along the lines of responsible government are dealing with a misnomer. It is not responsible government they are looking for, because that is exactly what they are getting now.

Mr. Gibson (Comox-Alberni): They never had it before.

Mr. Gillis: Arguments were made for the setting-up of a national government, and remaining out of confederation. In the last fifty years they have had governments of that

kind which have failed twice. In each case when the national government failed they had to turn to Great Britain for a commission government to administer the affairs of the island. Having failed twice with that kind of thing, I think it is unreasonable to ask the people of Newfoundland to go back to it. If it is responsible government they are looking for, in my opinion they are getting responsible government now for the first time in the history of the island. Two votes were taken, and after they were taken there was still a majority of approximately 7,000 in favour of entering confederation. I do not think anyone can say that is undemocratic, because the whole population of the island is only equal to about three constituencies. After a lot of propaganda and educational work two votes were taken, and the majority of the people of Newfoundland who voted said they wanted to come into confederation with Canada. I think that is democratic. I think the processes employed in elections in Canada were followed in Newfoundland. The argument has been raised, what are you going to do about the 71,000 people who voted the other way? I should like to ask any member of the house, what are you going to do with the large number of people in your own riding who voted against you in the election? Whether they like you or not, they accept you as their representative. That is exactly the situation in Newfoundland. There was a 45 per cent vote in favour of union. Under the circumstances, where the use of the franchise had been out of the hands of the people of Newfoundland since 1934, and where very little educational work had been done in the matter of the ballot, to get a 45 per cent vote in favour in a vote taken under the conditions that existed reflects a good deal of credit on the people who turned out to vote.

I do not see any reason to quarrel with that. As I see it, it is our duty now not to confuse the matter any further by raising those arguments which arise from sectarian sources. On this question I have seen certain briefs which have come from Newfoundland, and which I would be ashamed to introduce in this house. It is a straight sectarian appeal that is being made to the people of Canada and to the members of this House of Commons in order to offset what, in my opinion, was a democratic vote of the people of Newfoundland.

I live close to them and have worked with many of them. I know the disabilities which handicap them at the present time; but I believe that, if we handle the matter sensibly and do not fan the flames any more than they have been fanned, if we put this agreement into effect, install good administrative machinery, have members from Newfoundland in this House of Commons, and let the people of Newfoundland set up their own provincial government, the union will be successful. That is responsible government.

In my opinion they are being fooled, by a lot of propaganda they are getting now, into the belief that they are going to be dictated to and legislated for by Ottawa. The reverse is true. They will have their own government similar to our provincial governments. They will work out their own problems in the provincial field. They will have their members in this national forum to carry their message further. They will benefit from much of the social legislation for which we have had to fight over the years. I am in favour of this agreement and I think it should be carried into effect. I intend to go to Newfoundland and say what I am saying here tonight, only a lot more so. I got up on the spur of the moment because I felt I had to say these things in view of what was said by the last two speakers.

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

Resolution reported, read the second time and concurred in. Mr. St. Laurent thereupon moved for leave to introduce Bill No. 11, to approve the terms of union of Newfoundland with Canada.

Mr. Graydon: May I ask the Prime Minister whether the bill which is founded upon this resolution is now available for distribution?

Mr. St. Laurent: It is available. It consists of one clause, and of the terms of agreement as hon. members have now had them for some considerable time. The bill is ready for distribution and will be distributed immediately.

Motion agreed to and bill read the first time.

STATUTE LAW AMENDMENT

AMENDMENTS TO IMPLEMENT TERMS OF UNION OF NEWFOUNDLAND WITH CANADA

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill to amend several statutes to make them applicable to or otherwise conform with the Canadian confederation as and when Newfoundland becomes a province of Canada.

Mr. Gordon Graydon (Peel): I presume we shall follow the procedure that was followed on the previous resolution. I take it the Minister of Justice will want to make a statement now while the Speaker is in the chair.

Mr. Garson: The statement in connection with this resolution must necessarily be an extremely short one. As hon. members know, there are on the federal statute books of Canada a number of statutes which refer to the various provinces of Canada by name. They have to do with a variety of subjects. The only purpose of the bill, to which this resolution is the introduction, is to amend those various statutes by inserting the word "Newfoundland" in the appropriate places in order to make all of those statutes now upon the books apply to Newfoundland in the same way as they do to every other province of Canada. When the bill goes into committee anyone who is interested may follow, section by section, the explanations which are given opposite, and tie them in, but all of these provisions without exception are what lawyers term consequential in that they arise out of the fact, and as a consequence, of Newfoundland being brought into confederation. They are the amending provisions that have to be made in a number of federal statutes.

Mr. A. L. Smith (Calgary West): I am not attempting to speak on this, but I should like to learn from the Minister of Justice (Mr. Garson) what method has been adopted. Have you gone through all the statutes of Canada with a view to finding the particular ones that need to be amended, or will your bill be in somewhat general terms, saying that where so and so is mentioned it shall be deemed to include Newfoundland? I am merely asking for information. For example, I can think of a number of places in the criminal code where there are specific provisions relating to certain provinces which do not apply to other provinces. Will the bill when we get it, with the explanations, call attention to the individual statutes to which the bill may have reference, so that we can understand it without doing a great deal of research on our own?

Mr. Garson: The answer is yes, that it will call attention to the specific statutes. The bill will contain a number of sections, and each section will refer to some section of an existing statute which will be amended. It will not be just a general statement of a rather indefinite character.

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

Resolution reported, read the second time and concurred in. Mr. Garson thereupon moved for leave to introduce Bill No. 12, to amend the statute law.

Right Hon. L. S. St. Laurent (Prime Minister): I may say it is not the intention to ask the house to proceed with this bill until we have made substantial progress with the other one. The last section of the bill will provide that it would come into force on March 31, 1949, and would not be sanctioned unless and until the previous bill approving the terms of union with Newfoundland had been sanctioned.

Mr. Graydon: Then may I ask the Prime Minister when it is intended to move the second reading of the first bill introduced tonight?

Mr. St. Laurent: It is hoped to go on tomorrow with the second reading of the first bill and to allow this bill to stand until the sense of the house has been taken on the first one.

Motion agreed to and bill read the first time.

TRANSITIONAL MEASURES ACT, 1947

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war.

Mr. M. J. Coldwell (Rosetown-Biggar): Before you leave the chair, Mr. Speaker, may I say just a word about this, because I think it is one of the most important measures contemplated for this session. At the present time the cost of living has reached an all-time high. Though there was a slight reduction a month ago, the latest report from the bureau of statistics indicates that the cost of living has now reached the highest figure in our history.

It seems to me the government needs to consider this because of the effect it is having on all the people of Canada. If we look at the price index for 1945, when the war ended, and compare the figures with the present index, we find an increase that is phenomenal. The cost of living index in August, 1945, stood at 119·6. It has now risen to 159·6. That is a tremendous increase since the removal of controls; and the effect, of course, is really disastrous on people with small and fixed incomes, such as veterans and other pensioners, or people whose wages or salary have not gone up to any extent. It seems to me this is a matter with which the house should grapple this session. I have noticed that in the United States, for example, where the increase has been greater than here and the cost of living figure is higher, in his message to congress President Truman indicated the necessity of doing something about the restoration of controls if the cost of living did not come down. And I would

say the government should bear in mind the lesson of the United States election, because President Truman campaigned up and down that country on issues of the sort the C.C.F. has been endeavouring to bring to this house for the past several years.

One of them, of course, is this matter of the increased cost of living. Actually what has happened is that today a dollar is worth only seventy-five cents as compared with the end of the war, in the basic commodities that it will buy. Think of the effect of this upon old age pensioners, for example. While there was a slight increase of $5 a month some eighteen months or two years ago, this means that the $30 they get today will buy only as much as $22.50 would buy in 1945, only three and a half years ago. And this increased cost of living, coming at the same time as the enormous increases in profits of some of our corporations are being published, is bound to provoke a great deal of discussion among those who know the real facts. All during the war our people were encouraged to buy victory bonds, to invest in war savings certificates, and all the rest of it. They were encouraged to save every dollar. At that time a dollar would buy a dollar's worth of goods; today it will buy only seventy-five cents' worth. It seems to me that is a very serious matter for all concerned, and particularly for those who made the savings several years ago.

I have other figures here. Everyone knows the manner in which the costs of production on the farm have gone up. It is said that the cost of living in urban areas has risen more sharply than on the farms, but as a matter of fact the figures do not bear out that statement. The index of farm living costs has risen by 38 per cent since 1945, compared with a 33 per cent increase in the general cost of living. Nor can it be said that this is due to the cash income of the farmer. The total cash income from the sale of farm products went up 17 per cent from 1945 to 1947. When you turn to the distributor, you find the profits of the largest food companies have risen by 47 per cent.

Sometimes it is said that wages are responsible for the rise in the cost of living. Weekly wages and salaries, for example, in one of our best paid industries, iron and steel, went up by nine per cent, while profits in that industry have risen by 66 per cent; in pulp and paper, wages are up 23 per cent and profits are up 247 per cent. I could continue the examination of the manner in which the great mass of people are being penalized by the tremendous rise in the cost of living. Consequently, Mr. Speaker, I think this is a matter that the house cannot pass over lightly.

I am glad to see that the government intends to ask parliament to continue certain powers which parliament conferred upon it in order to cope with this situation. But something more is necessary than pious hopes and asking for the continuance of power, if our people are to be rescued from this tremendous increase in costs which are adversely affecting all of them, with the exception of those who benefit from the increased returns in certain classes of industry and business. I do not want to pursue this, Mr. Speaker. I have emphasized the increased cost of living. I believe the government intends to continue rent controls under this authority; that is a good thing as far as it goes.

After the removal of certain aspects of rent controls made a short time ago, I was told of cases where increases were made, particularly in the newer buildings, which put them beyond the reach of people with average incomes. If these controls were removed altogether the shortage of houses would cause rents and values to shoot sky-high. When we come to the bill itself, these are matters that should receive very thorough consideration. I just wanted to say I am glad the government is going ahead with this resolution. I hope it will reconsider its whole position with regard to controls and subsidies. As a matter of fact, I think subsidies of some types are necessary and fully warranted at this time.

Mr. Ferguson: Would the hon. member permit a question?

Mr. Coldwell: Yes.

Mr. Ferguson: Is he aware of the fact that the first reduction in the cost of living in the United States was made in meat by that octopus, the meat packers and abattoirs, which reduction was later followed by the retail merchants? This octopus, about which our friends are so glib, set the example for the reduction in the cost of living. That is private enterprise.

Mr. Coldwell: I am very glad indeed to find that we have at least one defender of the organizations which he himself describes as a great octopus.

Mr. Ferguson: I was using the hon. member's words. He so described it. I used those words so that he would recognize it.

Mr. Coldwell: Well, I recognize an octopus when I see it.

Mr. Smith (Calgary West): Where are you looking—over there?

Mr. Coldwell: I was not looking at the member for Calgary West when I said that. What I was going to say, Mr. Speaker, when

I was interrupted a few minutes ago, was that perhaps what the hon. member says is partly true.

The Acting Speaker (Mr. Golding): I ask hon. members not to interrupt. They will please observe the rules of the house. It is not in order to interrupt any member who has the floor. I am sure hon. members will co-operate with the Speaker in this regard.

Mr. Coldwell: What I was going to say is that if it is true, and I believe it may be, that the packing interests in the United States did begin the reduction in the price of meat, that only underlines the fact that for months and even years before that reduction was made they were reaping enormous profits. So far as our own meat-packing industry is concerned, a year ago last Christmas, when the government removed certain controls, the packers had quite a large backlog of meat and other commodities. This enabled them to reap a very good harvest at that time and should enable them to make a reduction in the price of meat in this country.

An hon. Member: And butter.

Mr. Coldwell: Probably butter, but I am not conversant with that now; a year ago it was true.

I do not propose to say any more at this stage. I think that more than rent control is necessary, and the government should consider, either by subsidy or by the exercise of powers conferred upon it by parliament, ways and means of endeavouring to bring down the cost of living within reasonable bounds.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, the motion which has been presented simply calls for the resolution:

> That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war.

This is a very different basis from that of the resolution we dealt with this afternoon. In that case, we knew the principle involved, but in this case we certainly have not the information which would enable us to deal with the resolution. I believe the house should have a full explanation from the Minister of Justice (Mr. Garson) as to what emergency regulations it is intended to continue and what the effect will be, before the house is called upon to vote on this resolution.

Mr. Knowles: I rise to a point of order. Is the minister going to close the debate? He moved the motion; that constituted his first speech. When he speaks the second time, he closes the debate.

Mr. T. L. Church (Broadview): Mr. Speaker, I wish to say a few words on this resolution. In the first place, the minister is asking for something for which he should not be asking. Justice and law are not synonymous terms. The enforcement of the law is the responsibility of the provincial attorneys general, and they turn it off on the municipal police. There is no way of enforcing these laws. I forget how many orders in council were passed during the war, but I think it was something like 180,000. The war is now over. In the old country complaints have been made about the same thing. The other day in the British House of Commons the attorney general, Sir Hartley Shawcross, was complaining about the high cost of litigation today. Mr. Churchill supported him. Since the war closed 25,000 orders in council there have been passed. Nobody knows the law. Only five of these orders in council have been before the courts. Rules and regulations have been made from them which have the force of statutes. Complaints were made the other day in the British House of Commons about the high cost of litigation. I have been complaining here about the same thing for a long time. Nobody knows the cost of litigation today. Sir Hartley spoke on this matter at Lincoln's Inn, and Mr. Churchill referred to it in a radio speech.

The Minister of Justice (Mr. Garson) is asking for something that should not be asked for, now that the war is over. In England nobody knows what the law is until it is interpreted by the privy council. Only five of these orders in council, and the rules and regulations which have the force of a statute, have come before the law courts. That should not be. As I say, the enforcement of these orders in council rests with the municipal police force, and they get nothing for it. In New South Wales the federal government of Australia gives Sydney $2,500,000 as a subvention to the city police to enforce the federal law. What is the result? We have all these violations. Only five of these orders in council have ever come before the Supreme Court of Canada and 20,000 of them altogether have been passed since the war; and the rules and regulations made under those orders in council have the force of statutes. As I say, law and justice are not synonymous terms. In 1491 B.C. Moses gave us the ten commandments. I would call to the attention of the house and the government the simplicity of those commandments compared to the laws that must be enforced by the courts today. Law reform is badly needed in this country. We have no law reform at all.

Is this law reform, to impose these orders in council which were passed during the war for emergency purposes? I say no; it is not law reform at all. Who is to enforce these orders in council? Enforcement is on the municipal police, and they do not get a cent

for it. I can tell hon. members this. The ten commandments are simplicity itself, and everybody understands them. Not so these orders in council which are proposed now, long after the war is over.

As I say, Mr. Speaker, we should have some statement from the government regarding these matters, because only five of these orders in council have ever been interpreted by the Supreme Court of Canada. Yet they are imposed on all the citizens of this country, although they may not be legal. Nobody knows whether they are legal or not until they are interpreted by the privy council. Even my hon. friends to my left just recently appealed to the privy council with regard to certain legislation. If it is legal to impose these orders in council years after the war is over, I fail to see it. Nobody knows what the law is. Osgoode Hall cannot tell you what the law is. There is no finality to it on an appeal to the Supreme Court of Canada. The judges and magistrates are imposing these orders in council on the poor working classes of this country, and I say that the principle of it is all wrong. The municipal police get nothing for the enforcement of these orders in council, and the federal government does not itself enforce federal laws. Nobody knows what the law is until it is interpreted. Only five of them have come before the privy council.

What I am complaining about is the high cost of litigation today. The result is that everybody settles his case. Everyone must settle his case owing to the high cost of litigation. The other day in England Mr. Churchill was complaining about it, but no one in this house has done so except myself; I have been complaining for three or four years and asking for law reform. We have never had any law reform under any Minister of Justice. From Moses down to the present Minister of Justice is a long route. If this is the law reform he proposes, I am opposed to it. I can tell him that the enforcement of laws is on the provincial attorney general and he turns it over to the municipal police.

My friends on my left are no doubt extremely eager. My friend the whip down there is not a lawyer, but he knows something about law. The magistrates are convicting people illegally, as are county court judges. This matter came up in the British House of Commons, and the law was quoted to them over there, and what is being done even in this country. In England many of these things have been complained about, and it is not law reform at all. There is no law reform. As I say, the magistrates are convicting people on orders in council which are absolutely illegal. There has been no law reform that I can see. I am complaining today not only about the extension of this act but about the rules and regulations, passed under the act, which have the force of statutes. If you go to any lawyer, he cannot tell you what the law is with regard to these matters.

In England an effort was made to upset some of these orders in council, and only one county court judge questioned the law. What is being proposed here by this resolution is to extend these orders in council. The resolution says that it is expedient to do so. I say it is not expedient, years after the war, to impose on the people all these rules and regulations, which have the force of statutes and which have never been passed by this house. They are absolutely illegal. I could name some of them. I referred the other day to an adjourned debate in the British house in which reference was made to the fact that in a town called Stevenage in England all the houses were torn down. An appeal was taken to the law courts. Only one magistrate questioned the proceedings. He expressed the opinion that nothing like it had been done since the time of Ahab, who was a king of Samaria, when he took Naboth's vineyard. A county court judge questioned the law, and he was supported in the British House of Commons accordingly. He quoted the law. Naboth had a vineyard. It was taken away from him. We can find all about that in the second book of Kings.

The next thing that came up was paper money. The government in the old country passed another act and Shawcross, the attorney general of England, took it up. Mr. Churchill complained about the high cost of litigation. He said there were only five orders in council that came before the courts. There were 25,000 orders in council passed.

Is it any wonder that the poor people back home are disgusted? I see them lined up in the police court waiting to pay their fines because they had not paid $2.50 for a radio licence. They were charged $5 and costs by the magistrate. It is all illegal. They are convicted because of the actions of that mischievous institution, the C.B.C. They summoned 7,000 citizens in our city. They have a special magistrate. The magistrates do not know the law. They know it in England. What did they say in England? Mr. Churchill referred to it. First they go to the borough magistrate; then to the county court judge.

The government is introducing a measure dealing with emergency powers to go into patent law, trade-mark law and all these things. The other day in England Mr. Churchill referred to the high cost of litigation. Everybody understands the ten com-

mandments, but who can understand the voluminous judgments that we are getting from the Supreme Court of Canada and the other courts in Osgoode Hall? Everybody can understand the simplicity of the ten commandments, but who can understand some of the judgments which are contained in the law reports which the lawyers are getting in this country today? Is that law reform? It is no wonder the people in Toronto and in constituencies throughout the country are complaining about the high cost of litigation. People are being haled before the magistrates, and some of them have no money. If that is the kind of law reform we are facing here tonight all I can say is that I am opposed to it.

Another thing is the 25,000 orders in council. Mr. Churchill complained about the same thing in England the other day. Take the law of income tax under which people are summoned and all that kind of thing. In England the application came before the borough body. I forget what they call it now. My memory is not as good as it was. In England under the exchequer court act they are required to hear and determine the application. But what did they do? This matter came before the borough magistrate and then the special commissioner of income tax. Then it went to the high court of justice, to the court of appeal and all that kind of thing. In England the courts are required to hear the application under an express clause of the exchequer court's proviso. They must hear and determine the merits of the application. A learned English lawyer, P. St. George Kirke, is my authority in this regard.

Then we have trade-marks and paper money. We are meeting here and we are prepared to pass all these things seriatim. I am going to oppose it. We must have constitutional reform, parliamentary reform, cabinet reform and most of all law reform. We have never had any law reform since I have been a member of the house. I have been a member for a long time. I am opposed to the whole program of the attorney general. I had hoped that that portfolio would go to Ontario, because Sir Wilfrid Laurier, when he was elected away back in 1896, appointed David Mills as Minister of Justice from Ontario. Quebec has had a Minister of Justice and solicitor general as head of the law of this country. I had hoped that Ontario would be favoured.

There is no emergency. The resolution says "It is expedient." Is it expedient to fine people as they have been fined in Ontario and in other provinces? They have fined 7,000 people in my city. The magistrates have fined them $5 and costs for not having a radio licence. The return I received three years ago showed that the city of Ottawa and the city of Hull across the river had not one single case in the courts, but 7,000 people were summoned before the magistrates in my city. The magistrate says, "$5 and costs, you can pay it or not." If that is law reform, five years after Germany collapsed, I say, God help the country, God help the people who have to pay for it.

You can understand the ten commandments, but can anybody understand the voluminous law reports which we are getting from Osgoode Hall and from many other courts? They wear new robes of office. They have new robes of ermine and gold. Where did they get authority for this? Is that law reform? They are dressed in all the colours of the rainbow. It is all vanity and conceit. Vanity of vanities, said the preacher, all is vanity. The Minister of Justice (Mr. Garson) may smile. I have never had the privilege of meeting him. They say that he is not a bad fellow personally. Is that the law reform we are looking for? I noticed a lot of people from the constituency of the hon. member for Danforth (Mr. Harris) in the courts the other day. I asked, "What are you doing here?" They said, "We are down here to pay $5." They call that law reform.

My hon. friends to my left say that they are the same as the Labour government in England. Well, if they are they do not believe in law reform. Who knows the law today? No lawyer can tell us what the law is. They do not know the law. The magistrates' courts are the first courts. Then we have the county court judges' courts. Members from the county court bench come to Toronto and fine the people there. They should know something about these orders in council and the rules and regulations which are actually illegal. I have never seen them. The Minister of Justice has never seen them. That applies to the income tax law and to every statute which has been passed. If that is law reform, then God help the people of this country, because there is no such thing as law reform.

I asked the Minister of Justice last session to appoint a legal committee to go into this matter. He said he would consider it. He has now appointed another commission. It seems to me that we shall become a nation of professors. These are not professors at law. But the fact is that we are becoming a nation of professors. I count that day lost when I do not read about some order in council passed appointing two professors, plus somebody else, to some job. We are nothing but a nation of professors—professor this and professor that. There are very few professors I know of in the universities now who want to hold their jobs; they would rather have

these jobs. In the Annapolis valley they used to say that an apple a day kept the doctor away; but we know that a professor a day will not keep the tax collector away, especially when he is enforcing some of these famous orders in council which have been placed on the statute books.

Fortunately in the mother country they have closed off much of this. I can tell you this, that in my own constituency in Toronto many youths have been sent to jail because of these orders in council—and some women, too, who did not have the money to pay the fines imposed for infractions of some of these emergency regulations. They go to prison when they have not the money to pay the fines.

In that connection, a farm on Yonge Street, Toronto, was taken over for men, and another for women at Concord. That was taken away illegally from the city. Is that law reform? I call this to the attention of the government.

In conclusion let me say this. If that is the kind of justice and law reform the Minister of Justice (Mr. Garson) has in mind, then I repeat that law and justice are not synonymous terms, although some people think they are.

Let us compare these emergency regulations with what has been done in England. Let us consider, too, the high cost of litigation today. Let us look at the divorce cases, which have become such a nuisance to high court judges that they want to get rid of them and place them before the county court judges.

Here we have involved magistrates and county court judges, and other judicial officials—and I have great respect for them all. They are enforcing fines and imprisonment as a result of regulations which never have passed the House of Commons. Yet I have not heard one of those regulations questioned. They say it is expedient, when in fact it is not expedient at all to provide for the continuance of certain orders and regulations.

These regulations were never necessary. They were issued by someone in this building, or someone in Ottawa. People are being fined as a result of these rules and regulations made by the governor in council. There are so many of them that no one knows what the law is. Only five of them have ever come before the supreme court, and it would take about two thousand years to interpret them. How long it would take to interpret 200,000, I do not know.

I have risen to speak for the protection of the Minister of Justice, and to ask him to do what his predecessor said he would do, namely, to have a legal committee. A legal committee should consider these legal bills.

I do not wish to take up further the time of the house. The minister has been in the house only a few days, and I have no desire to embarrass him or to say anything unkind to him. But I do call his attention to the high cost of litigation today in this country; no one can afford it. The result is that people are paying fines on orders issued by departmental officials about which lawyers and judges do not know. The lawyers and judges do not know the law in this connection. No one knows it, and it is interpreted by the privy council. My hon. friends to the left have had it before the privy council.

I believe it would be well if we had a legal committee to consider all these bills, and these rules and regulations. Then we could have some means of saving people from paying these fines, when they should not pay them.

Mr. Drew: Mr. Speaker, I should like to repeat the suggestion I made a few moments ago, that the house should have an explanation.

Mr. Abbott: I was going to give it.

Mr. Rowe: What about the Minister of Justice?

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, in view of the fact that a technical position might be taken that the Minister of Justice would close the debate if he spoke now, and also because of the fact that most of the orders which will be continued in effect under this measure relate to my own department or are under my administration, perhaps it would be well if I were to make the explanation.

As the house is aware the government announced some time ago that it proposed to ask parliament to authorize the continuance of rental controls until March 31, 1950, and that provision would be made in the order continuing that control to provide that the dominion government would withdraw from that field in any province where the province requested that it do so, and that parliament would also be asked to make provision for paying the costs for one year of rental controls in any province which might see fit to exercise control in that particular field. As a consequence, orders relating to rental control will be included in the schedule to be annexed to the bill to be founded on this resolution.

In addition, the orders relating to the wartime prices and trade board will be contained in that schedule, but provision will be made in the bill that price control powers shall continue to be exercised only with respect to articles now under price ceilings. Perhaps the house might wish me to indicate what those articles are. They are flour, bread, butter, citrus fruits, imported canned citrus fruit juices, certain fresh vegetables, imported

onions, certain fresh fruits including imported apples and imported grapes, domestic canned vegetables, imported canned fruits, molasses and sugar.

In addition there will be continued, of course, certain orders in council respecting steel control, and I believe price control on those commodities. Those are under the direction of my colleague the Minister of Trade and Commerce (Mr. Howe), and information with respect to them will be given by him.

Mr. Green: What about timber control?

Mr. Abbott: Timber control as well, I believe, but that is under the jurisdiction of the Minister of Trade and Commerce. I am glad the hon. member brought that up.

Generally speaking, those are the orders which the bill will ask should be continued for a further period until March 31, 1950.

Mr. Smith (Calgary West): Why? Are you going to explain why?

Mr. Abbott: Perhaps the explanation might be better made when we are in committee on the bill. For instance, a subsidy is still being paid with respect to flour used for domestic purposes. I think perhaps it would be unwise to remove price control so long as the subsidy is being paid out of public moneys. Certain commodities are being brought in from the United States, but in restricted quantities, because of exchange difficulties. There again it is felt that because of the possible short supply it is well to keep a measure of control on the profit markup.

As the house will appreciate from what I have said, the field is pretty restricted, and rapidly diminishing.

Mr. Rowe: Why on butter?

Mr. Cockeram: Why is it necessary at this stage to have two or three departments dealing with these various controls?

Some hon. Members: Order.

Mr. Cockeram: No, I have asked a question.

Mr. Abbott: I shall be glad to answer it.

Mr. MacInnis: When this debate ends—

Some hon. Members: Order.

Mr. MacInnis: We will get the answer when we go into committee.

Mr. Speaker: I would remind hon. members that they are not entitled to speak twice. If they want to question ministers, who are not entitled to speak twice, I would suggest that hon. members wait until we reach the committee stage.

Right Hon. C. D. Howe (Minister of Trade and Commerce): If I may continue the explanation, the Department of Trade and Commerce administers three controls which it is proposed to continue. The first is steel control, the second timber control, and the third priorities control. Of these, the most necessary is steel control. As hon. members know, Canada's production of steel has been and continues to be greatly short of Canada's requirements. We have been importing roughly 30 per cent of all the steel that is used, and those imports have been obtained with a great deal of difficulty. By the control of steel it is possible to utilize Canada's production of basic steel to the full capacity of our finishing works. At the present time we are moving surplus primary steel, or semi-finished steel, from the Algoma Steel Company to the finishing plants at Hamilton, to the amount of about 18,000 tons per month. We are also moving semi-finished steel from the Dominion Steel and Coal Company at Sydney to Hamilton, to the extent of about 10,000 tons per month. That 28,000 tons of steel, which cannot be finished at Algoma or at Sydney, would ordinarily go for export and be finished in other countries. That was the pre-war history of the surpluses of those two plants. By moving that steel to Hamilton 28,000 tons per month of additional basic steel are turned into finished products.

The department also has the responsibility of dividing the limited tonnage of pig iron so that the foundries of the country can be kept in operation. We also have the responsibility of allocating scrap which is in very short supply, and which today comes largely from foreign countries. To end steel control abruptly at this time would, I am sure, reduce the production of finished steel from Canadian plants and Canadian foundries by as much as 20 per cent. Price control is maintained, as I think it should be, where an acute shortage exists. All steel is handled under rigid price control. I think that the industry as a whole welcomes control since it assures to each his fair share of Canadian production. I know of no demand that the control be ended; I know there is a general desire that it be continued, and I consider it definitely in the best interests of Canadian industry that it should continue for a further period.

The importance of timber control is less apparent. Only certain grades of timber are in short supply, but on the west coast particularly there is an active demand for the high grades of timber, the clears. These can be sold to the full capacity of the cut. There is a surplus of low grades. Low grades are not selling nearly as well as clears, particularly in export markets. Without control Canada would be stripped of its supply of clear lumber from the west coast. It is believed to be in the interests of Canadian industry that

this control be continued for a certain period. It is being relaxed as opportunity offers, and it may probably be removed before many months go by, but at the moment it is considered necessary.

Mr. Green: Does that control operate only on the west coast?

Mr. Howe: No, it operates across Canada, but its importance is greater on the west coast on account of the export demand for clear timber.

The priorities control is used almost exclusively in connection with low-cost housing. Supplies for low-cost housing are not yet easily obtainable. Large-scale buyers for larger projects have a definite advantage in bidding for these materials. It is felt that without priorities control the building of low-cost housing would be severely handicapped. It is likely that the duration of that control may not extend beyond many months, but today for materials such as my hon. friend opposite mentions so frequently, nails and products of that kind, it does assure more equitable distribution than would be possible if we did not have a priorities control.

Mr. Harris (Danforth): I quite realize, sir—

Mr. Speaker: Order. The hon. member for Winnipeg North Centre.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it seems to me it is more than timely that we should be discussing this resolution tonight. The resolution before us refers, among other things, to certain measures of price control. It provides, as the Minister of Finance (Mr. Abbott) has just indicated, for the continuance of price control on a limited number of articles, and also for the continuance of rent control for another year on the basis suggested by the Minister of Finance. As far as it goes, this measure is all to the good; but, further to my opening suggestion that it is timely that we should be discussing this matter tonight, I should like to suggest to the government,—indeed to all members on the other side of the house—that it is time that they were doing some real serious soul-searching. They do not look very happy over there tonight.

Mr. Abbott: Beaming from ear to ear.

Mr. Knowles: I may say I am not familiar with the factors that may have led to the defeat of the government today in Nicolet-Yamaska, but I can tell the government members that we are discussing in this resolution tonight one of the factors that has led to loss after loss sustained by the government since the general election of 1945.

Mr. Rowe: Too much control.

Mr. Knowles: My hon. friends opposite pounded their desks a great deal a few days ago when a number of new members were brought in, but I remind the government, and the rank and file of those opposite, that since 1945 six seats that went Liberal on June 11, 1945, have since been lost. The government has picked up only two new seats. In other words, it has sustained a net loss of four seats since the general election. To complete the picture, my hon. friends to the right have had a net gain of two. We in this group have had a net gain of three. The Social Credit group has had a net gain of one. The Cartier seat was formerly held by a Labour-Progressive. The seat of Laval-Two Mountains was formerly held by an Independent. They are the only two seats the government has picked up in the last four years.

I suggest, Mr. Speaker, this is not something for my hon. friends to the right to gloat about tonight. Neither is it something to justify my hon. friends opposite in making smart replies; rather it presents them with something they should think over very seriously.

Mr. Fraser: They will.

Mr. Knowles: I am satisfied there are many members opposite who know just as well as I do that one of the main reasons the government has been losing ground since 1945 has been the way in which it has bungled its policies having to do with the cost of living.

Several things have been turning the people of this country against the government they elected, though by a minority vote, in 1945: its failure to do anything substantial or adequate in regard to housing; its failure to make proper moves in matters of social security, including a proper old age pension and health insurance; its failure to keep down the cost of living. In fact, if you want to point your finger at one fundamental cause of the loss of ground by this government, it is right here in this question of the high cost of living. In addition to all the other fears and disillusionments the Canadian people are experiencing today, it is most disturbing to see the way the value of the dollar has shrunk, the plight of our old age pensioners, our superannuated civil servants, our veterans on burnt-out pensions, and others, and also the way in which the increased wages and incomes in the pockets of our people have become worth less because of the rise in the cost of living.

This is a subject, Mr. Speaker, with which, as hon. members of this house know, we are familiar, and as to which we could go on and on. But I am going to stop, for the reason that I think perhaps I may make my case

stronger if I put it as I have, and say to the government that unless they wake up while there is yet time this continuing rise in the cost of living—and it is still going up despite the fact that there was a slight recession in the report before the last one—will result in their being turned out of office when the election is called. I submit that for the well-being of the Canadian people they should, while there is yet time, make a turn in the direction they have been traveling and do something about this continually rising cost of living. In this measure now before us there is a chance for the government to amend and revise the bill which is to be based upon this resolution, and go in the direction of restoring price controls. Conditions today demand a determined effort to bring down the cost of living and improve the standard of living of our Canadian people; failure to do this will not be tolerated.

Mr. J. H. Harris (Danforth): Mr. Speaker, I realize that when we get into committee stage we will be in a much better position to look for answers to pertinent questions in regard to this resolution, but I ask the indulgence of the house while I make one or two general observations. I can tell you, Mr. Speaker, that these observations will not be of the kind to which I have just listened. Just why at this stage any honourable and intelligent member of this chamber should get up and discuss whether or not the government has the confidence of the people is beyond my comprehension. Surely anyone and everyone must know what is going on in Canada at the moment. The confidence of the people is slipping away from the present administration faster and faster all the time; and that does not need to be brought to the attention of this honourable assembly, using this as a vehicle to bring it to the attention of the fourth estate in order that they may spread the word across Canada. Why, already this fourth estate, to which I seldom have the privilege of speaking, have told the people from Vancouver to Halifax what is transpiring; and what they say tomorrow morning no doubt will not only emphasize but underline in every paragraph what they have been saying previously, so that when the time comes the people will arouse themselves and put in an administration a little more to their liking than the one we have had since 1945.

My purpose in rising, Mr. Speaker, is to mention two or three matters of a general nature on which the government might cogitate until such time as we get into committee of the whole. The Minister of Trade and Commerce (Mr. Howe), who has been a kind of omnibus minister, who has had his finger in almost every pie it has been my privilege to see cut into during the last decade, must know something about what he is going to do in connection with this resolution, because he has been part and parcel of its subject matter. Not only that; he has been the boss. What he said went, and probably that is still the case. Every job needs a boss. Just how efficient and capable that boss may be, or how he may be regarded by those under his control, is another matter. I remember that in my younger days I told my boss I thought a certain thing might have been done in a certain way. I remember so well that he pointed to his white shirt and said, "Why do I wear a white shirt? Just to show you young people who is boss around here."

The day of the Minister of Trade and Commerce wearing a white shirt to show who is boss around here has gone by, and from here on I suggest that he should be cautious. At the same time, as I said before, in order that members of the government may have something to cogitate about, I want to mention one or two matters of moment. May I preface my remarks by making a general observation, expressing my own opinion, not something I read in some journal, though perhaps the opinion more or less settled itself upon me because I read the journals now and then.

I am of opinion that general commodity prices the world over and particularly on the North American continent are starting to go down. They are following the curve that obtained in 1921-22, just after the first war, when in 1922 prices slipped so badly that they were only about one-third the prices in 1920. If anyone examines commodity prices today he will see that the same course is being followed, in almost the same period of time to the month from cessation of hostilities.

The disaster of 1921-22, financially speaking, was a serious one. The difficulty I see ahead will not be quite as severe, for the reason that in Canada we had some control. I hope this house will not applaud that statement too much, because that control was taken off by the powerful nation to the south before the control in Canada was removed. In the United States inflation reached a higher point than in this country; but from that inflation those charged with the responsibility of conducting affairs in that country were able to pad a cushion that will help them tide over the difficulty we are facing now; that is, not the collapse but the gradual recession in the prices of commodities.

Whilst controls were on, those of us in Canada who had the responsibility for the conduct of industry were not able to pile up that same cushion to take care of, not a depression but a decline in commodity prices. This decline in commodity prices is fast

coming to our country in common with the United States. I hope it is a gradual decline and not precipitous. I hope the collapse, if I may use that expression for lack of a better one, or the gradual lowering of prices of all commodities, will not be too severe. When one considers this decline, I say that the lack of necessity for the ideas embodied in this particular resolution becomes more and more apparent. The need for the lessening of controls becomes more apparent because, with the lowering of commodity prices, in due course the law of supply and demand will take care of the necessity for having legislation such as this. I say to the government now, when it is framing the terms of the bill upon which this resolution is based: Do not incorporate in it anything which is not necessary. Let us get back to common sense, and let the law of supply and demand take care of the items which make it necessary for you to introduce this bill at this time.

I should like to mention, Mr. Speaker, one or two particular items. Perhaps I can be forgiven if they pertain to the community from which I come. The last items mentioned by the Minister of Trade and Commerce (Mr. Howe) were lumber and steel. I believe he will agree with me that the necessity for control of lumber is pretty well past. The control of lumber is not a large item, nowhere near as large as it was twenty-four months ago. You could almost forget about it. I feel that when the minister mentioned lumber he was sort of filling in. I leave it there.

In so far as steel is concerned, steel is in great demand. Steel undoubtedly requires some measure of regulation. For what reason? The reason is that projects of great magnitude, so far as this little country of Canada is concerned, have been held up for a great variety of reasons. To my mind, some of these reasons are patriotic. We had a war. We were told not to use steel while the war was on. We were told to forget, until the war was over, about our building projects requiring steel. The war consumed a tremendous amount of steel. Those charged with the responsibility for new construction requiring steel, realizing that a war requires a great quantity of this product, delayed their projects five years—yes, six, seven and eight years. The blueprints, however, were on the table. Those blueprints were worrying those who were directing the affairs of different organizations such as, for example, banks and office buildings.

May I give you a particular illustration in this regard? It is this that causes me to rise in my place tonight, and it concerns the necessary improvement of transportation in the city of Toronto which will require many thousands of tons of steel. Hooking up that problem with the control of priorities, which is in the hands of the same minister, I ask the indulgence of this house to give consideration to that requirement of the city of Toronto. Including the metropolitan area, this city now has the tremendous population of a million people. In its handling of the transportation problem, it is ten or twenty years behind. Give the city of Toronto the steel required for this project which has already been delayed by one decade, if not close to two.

I urge this, Mr. Speaker, from the sensible and practical standpoint I mentioned a moment ago, that I was of the opinion that commodity prices are coming down. Let the hon. and sensible members of this house charged with the responsibility see to it that the commodity prices slide does not become a toboggan slide. Let them see to it that the bottom does not fall out of things as it did in 1922. I believe that the Minister of Trade and Commerce should give priority to the steel for that tremendous project in the city of Toronto which will help take a good deal of surplus steel off the market, and in the final analysis the Toronto taxpayers will not be in the position of having to pay more for the completion of their transportation system than they would have had to pay had there not been this control over the supply of steel. What I am trying to say is this: Let us soften the collapse of commodity prices by going ahead with projects of a kind that will not only absorb the production of steel, but will absorb that other and more important factor, the unemployed. During a period of recession in prices, the most important factor of all is keeping our people employed. Give the people the tools and materials to do the job so that employment will continue at a high level over this period which might become a transition period.

So far as other commodities are concerned, I say to the hon. members to my left not to worry too much about the cost of living. I can see a recession in commodity prices which will help that situation. Before I resume my seat, I should like to make one or two more suggestions in that regard.

I notice that at this moment the hon. Minister of National Health and Welfare (Mr. Martin) is in the chamber. As I look at him I think of the work he is doing on behalf of his department. I think of his $30 million expenditure spread over a period of years in a humanitarian cause. I hope that the minister of priorities, the minister of steel, will be generous to the Minister of National Health and Welfare when he approves of a scheme here and there which, in the final analysis, will relieve the suffering of humanity. When the Minister of National Health and Welfare spends his $13 million and finally his $30

million, and he finds projects delayed because of the minister of priorities and the minister of steel, I know, Mr. Speaker, that they will not even need to get together; a note from the Minister of National Health and Welfare to the minister of priorities will smooth the way so that these great projects to the credit of Canada and of the Department of National Health and Welfare, which are being undertaken in order that humanity may be served during sickness and for the preservation of the health of the whole community, will not run short of steel or lumber and may in due course go on with their construction.

I was addressing myself to some of the ideas that are running through the minds of some of the hon. members to my left. I was thinking of the high cost of living, and at the same time of rent control. I will try to describe the high cost of living as it appears to me, speaking on behalf of my constituency and myself. I am just as satisfied that the cost of living will not pyramid as I am of the fact that I am standing here, and that the cost of living will not go much higher. On the contrary, I am satisfied that it will come down. It will come down by using the efforts of our Canadian people to get more production not only for our own consumption but for export overseas. The overseas picture has not been too bright. I am not one of those who think it will get a great deal brighter with regard to our exports. Where will our exports find their port of destination? In days gone by they found it largely in the United Kingdom. Then it was a simple matter, because of the invisible balance of funds in the hands of the United Kingdom, which was our greatest customer, to take care of the requirement of getting Canadian dollars back into the hands and pockets of the producers of Canada. But that invisible balance which was so necessary in those days has fast disappeared. In the days to come, what is to take the place of that balance?

It has been my high privilege to observe what has happened to the world around. Although I am only an observer, I have some conception of the world financial situation. I think of the pound sterling versus the Canadian dollar and the American dollar. I think of Rhodesia producing tobacco the same as is produced in western Ontario. I think of Australia producing wheat and those great white-faced cattle they turn into beef for the British market. I think not only of products of that kind all down the line, but of products such as non-ferrous metals like zinc, lead, and so forth. Other parts of the world produce these commodities. We are in this spot. Those other parts of the world which produce these commodities I have mentioned accept with gusto the British pound sterling as payment whereas they are unable to find Canadian dollars and American dollars, we will say, for the reason that they are unable to balance their trade payments. So to the other problems I have mentioned to a slight extent I add this additional problem: Whence will the 50,000,000 people of Britain receive their supplies or receive their food? The natural place from which these supplies will come is those countries in which they are produced and which are happy to accept the British pound sterling. So we must give some thought to that matter, having regard to the economy of Canada at this time. With that factor in the equation, I say to my hon. friends to my left: Do not cry too much about the high cost of living. World-wide factors and economic conditions will in turn take care of that problem, and we producers in this country of ours will be looking for consumers. When the law of supply and demand applies, in due course the cost of living will go down and find its proper level.

There is one other point to which I wish to refer before I resume my seat. Rent control has been a difficult problem and it has been difficult of administration. With so many people taking advantage of it, and so many people suffering from the lack of housing accommodation, a problem of the first magnitude is created for this honourable assembly. Many people are afraid to rent space they may have in their homes for fear that those who come in and occupy that space cannot be dispossessed in times when they are perhaps not behaving or in times when the immediate family which owns and operates the domestic establishment finds for one reason or another that it wants the space. What are the reasons, hon. members may ask. The answer is, the return from overseas, a few years ago, of young men bringing back English brides, and finding the upstairs flat of the father's home occupied by a tenant under rent control, as a result of which the son of the family and his new bride, and perhaps a youngster, were unable to get into the upstairs of the home, and live in peace and harmony with the father and mother. That is one reason.

The other reason is that there are selfish people who find themselves in a position of advantage, in that they happened to rent the premises during the period when rentals were depressed and wages were going up. On the one hand, the man and his wife accept the wages they receive, which were going up and up for two or three years, and at the same time refuse to pay their fair share of the cost of their lodgings, which cost was going up as far as the owner of the premises was

concerned. Taxes were going up, and the cost of coal for heating purposes was going up, as was the general cost of the operation of a home. The owner found all those costs going up but not to the same degree the return from boarders or roomers, or from sublet premises. Those returns did not go up to the same extent. The net result is that there has been no peace and harmony among those people who have rented accommodation, and the owners have become so disgusted that, if they got these people out, never again would they rent premises to anyone whomsoever. I am of the opinion that when this rent control finally comes off, and these restrictions have been removed from the individuals who own premises and sublet them, there will be such an abundance of space offering, for those unfortunate enough not to have a domicile at the moment, that half of the difficulty of this problem will be solved. When the Minister of Finance rises in his place, as he did a few moments ago, and says that we will extend these controls of one kind and another to March 1950, I say to him: Give some thought to whether or not you mean March 1950, or whether you mean what the Minister of Trade and Commerce (Mr. Howe) intimated—as soon as possible. Relieve the restrictions. Relieve the position. Help the position to cure itself. Do not dogmatically say March 1950. When we go into committee, tell this house that as long as you have in hand the administration of this particular feature of our controls, your officers will advise you. I do not hold the minister entirely responsible, Mr. Speaker. I do not like the word which has been used around here a good deal, but I cannot think of a better one. Perhaps the bureaucrats write the story for the minister. Perhaps the minister often tells the story as it is written. It is humanly impossible twenty-four hours a day for the minister to keep track of everything which is written and which he must be responsible for. He knows that as well as I do. I ask that ordinary common sense be the judge. I am just as sure as I stand here, in view of the predicament he is in now, in view of the predicament the country is in now, while many of these controls are being enforced, that if he uses common sense he will get rid of those portions of the controls which can be lifted without too much turmoil, which conditions will permit him to lift, and on lifting which public opinion will congratulate him. Do not do that all of a sudden in March 1950, but do it between now and then. He will not be there then; that is the difficulty. I say: Speed and oil up the machinery that is behind you. It does not need much oil; it seems to be well oiled. Increase the voltage a little bit and get rid of everything that public opinion wishes to be rid of, so that the shock and turmoil which will come in March 1950 will not be quite as severe as it looks as though it might be, looking at it from today's vantage point.

The Minister of Finance knows better than I do the commodities that are being subsidized. They have been an expensive luxury. They have been made necessary in his department by the Commodity Prices Stabilization Corporation which has gone into business. Government in business is not the best thing for a virile Canadian people. Government in business paying subsidies and stepping out into the market and of necessity buying commodities of one kind and another is not the best thing. You have had some experience of it, Mr. Speaker. When history is written, it will show on the credit side of the ledger some value to the Canadian people in so far as controls are concerned; but the government will not receive thanks for that value. On the other side of the ledger there will be a tremendous debit which has been added to the national debt, a national debt which will be bearing interest when my grandchildren and great-grandchildren are still wondering how democracy functioned during the days from 1945 to 1950. Therefore I say to the government: weigh these matters in the balance and get out of business. Get your Commodity Prices Stabilization Corporation, backed by the wealth of Canada, out of business.

I can give a half dozen reasons why they should get out of business. The first one that runs through my mind, and the most potent of all, is this. Who are they to conduct this business on behalf of the government? They are the best men that the government could find. I admit that. They are honourable, upright and courageous. Many of them worked for $1 a year. But, Mr. Speaker, the war is over. Those who are left—and this is no reflection on them—are men who cannot find their way back into their own business. They know that the war is over. They know that in this particular vocation they are working on behalf of the government. They must realize in their quiet moments, when they are thinking over their life's work and their career, that they have served their country well. During the war they served to their own disadvantage. Financially speaking, perhaps, they might have gone farther ahead if they had stuck to their own business. Now that the war is over, let them get back to the vocations for which they were trained and apprenticed. Let them do that in our behalf and in behalf of private enterprise. Let us get out of business as far as government is concerned.

The thought runs through my mind, as I think about the career of many of these great Canadians who have been of such service to the government during the tragic days of the war, that they have aged since then. Five years in these positions means ten years. It is most unfortunate if, during their declining days, or during the days when they have not the push and initiative that they had when the war first broke out, they have to be kept in positions sponsored, and paid for, by this government. That is a sad thing for Canada. I say that the Commodity Prices Stabilization Corporation, mentioned by the minister when he spoke of flour—

Mr. Abbott: It does not pay that subsidy.

Mr. Harris (Danforth): Fruit and molasses.

Mr. Abbott: It is paying no subsidies.

Mr. Harris (Danforth): —whatever portion of it has to do with this particular resolution. Let us in an orderly businesslike way, to the general weal of the whole of Canada, get rid of the necessity of having these control organizations. At the same time I add a word of caution. Be careful that you assume your full responsibility with regard to any organization, whatever it may be, which in any way may form a cartel or gang up on any particular commodity to the disadvantage of Canada. Use the Combines Investigation Act to the limit in these things. Put behind that particular act some of the power that is in price control and let Canadians know that that act is to be enforced, and in the final analysis I am of the opinion that the Canadian people will be glad to be rid of these controls which put the government in business. Do that as soon as is reasonably possible. I did not say get rid of all controls. Avoid the shock of March, 1950—and meantime probably we will be over there to do it for you.

I say to the government, take some of the power now behind controls and put it behind the act which protects our Canadian people from monopolies and cartels. If that were done, this country would ultimately be far better off.

On motion of Mr. Low the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Tomorrow we will proceed with Bill No. 11, to approve the terms of union of Newfoundland with Canada. If we pass that bill during the day, we will proceed with resolutions numbers 6, 4 and 3 on today's order paper, which deal with emergency powers, the Agricultural Products Act and the Foreign Exchange Control Act.

Motion agreed to and the house adjourned at 10.56 p.m.

HOUSE OF COMMONS

Tuesday, February 8, 1949

The house met at three o'clock.

HEALTH AND WELFARE

GRANTS ANNOUNCED MAY 14, 1948—ORDERS IN COUNCIL AND REGULATIONS

Mr. Thomas Reid (Parliamentary Assistant to the Minister of National Health and Welfare): I desire to lay on the table orders in council and regulations, in French and English, dealing with the administration of the health grants announced on May 14, 1948.

GOVERNMENT ANNUITIES

INQUIRY AS TO REFERENCE TO SPECIAL COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): On June 30 of last year the Minister of Labour said it was the intention of the government to submit the whole question of government annuities to a special committee at this session of parliament. Can the minister say whether the government will now carry out that intention?

Hon. Humphrey Mitchell (Minister of Labour): The intention of the government will be made known when a decision is reached.

CARDINAL MINDSZENTY

INQUIRY AS TO FURTHER ACTION BY CANADIAN GOVERNMENT

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I should like to direct a question to the Prime Minister. I have not had an opportunity to put it in writing, but the subject matter is such that I think he will be able to answer it without notice. The question has to do with the news of the result of the trial in Hungary. A few days ago the Secretary of State for External Affairs (Mr. Pearson) made known the message the government had communicated to the representatives of Hungary. Today it has been announced that Cardinal Mindszenty has been sentenced to life imprisonment. As the Secretary of State for External Affairs said a few days ago, it is recognized that this is a challenge to freedom of worship—

Some hon. Members: Order.

Mr. Drew: —and I would ask the Prime Minister what steps the government will now take to carry further the objection taken by Canada prior to the trial?

Right Hon. L. S. St. Laurent (Prime Minister): The verdict and sentence of the Hungarian court have just been announced, and the government has not yet had an opportunity to consider the matter. Before indicating the steps it may take, the government will again communicate with the other signatories to the Hungarian peace treaty, because we feel that if there could be joint action it would be likely to be more effective than the separate action of one signatory.

VETERANS AFFAIRS

DISTRIBUTION OF MEDALS AND CAMPAIGN STARS

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Can the Minister of Veterans Affairs confirm a press report that service medals and campaign stars will be issued this year? If so, how early in the year?

Hon. Milton F. Gregg (Minister of Veterans Affairs): The matter referred to comes under my colleague the Minister of National Defence. My department provides the records and does the searching of them to ascertain to whom the medals and stars should go. The question should be directed to my colleague.

Mr. Fulton: Then I will put the question to the Minister of National Defence.

Hon. Brooke Claxton (Minister of National Defence): Arrangements have been made under which a sufficient supply of stars will be available to begin the distribution about the month of September, and to continue the distribution at the rate at which new addresses are likely to be received from the veterans entitled to medals.

IMMIGRATION

COUNT JACQUES DE BERNONVILLE

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to ask a question of the Minister of Mines and Resources. Is Count Jacques de Bernonville still in Canada, and if so where is he?

Inquiries of the Ministry

Hon. J. A. MacKinnon (Minister of Mines and Resources): So far as I know, the man in question is in Montreal. At the present time he is out on bail bond under habeas corpus proceedings, pending a decision by the courts following the dismissal by me of his appeal from our deportation order.

Mr. Stewart (Winnipeg North): May I ask a supplementary question? Is the minister aware that this man is a traitor, and that he betrayed allied soldiers to the gestapo?

TRADE

QUESTION AS TO DEVALUATION OF THE CANADIAN DOLLAR

On the orders of the day:

Mr. Alan Cockeram (York South): May I direct a question to the Minister of Finance? In view of the increasing difficulties encountered by Canadian exports in world markets, is the government prepared to give an early decision on these questions: (a) allowing the Canadian dollar to find its own level in relation to other currencies, and (b) devaluing the Canadian dollar according to the Bretton Woods agreement?

Hon. Douglas Abbott (Minister of Finance): My hon. friend did not have an opportunity, I take it, of giving me notice of his question. It is one with which I have dealt on numerous occasions before. I do not think it is a matter of urgent public importance, and I am not prepared to deal with it now.

Mr. Cockeram: It certainly is important. You are losing trade every day.

NEWFOUNDLAND

APPROVAL OF TERMS OF UNION WITH CANADA

Right Hon. L. S. St. Laurent (Prime Minister) moved the second reading of Bill No. 11, to approve the terms of union of Newfoundland with Canada.

Mr. John R. MacNicol (Davenport): Mr. Speaker, during the last fifteen years I have given a good deal of study to problems affecting Newfoundland; therefore I should like to add some comments to what has already been said with regard to the measure now before us.

I wish to congratulate all four leaders upon the splendid addresses they delivered yesterday. I assume it is quite in order that I should say a special word about my own leader (Mr. Drew), who delivered an able and instructive address.

I first became interested in the question of Newfoundland through a study of the history of the Newfoundland regiment which served in the war of 1812. This study took me on a trip of over a thousand miles, because the Newfoundland regiment travelled 2,500 miles before seeing action in this country in the first year of that war. The Royal Newfoundland regiment was not large. The part of it which served in Canada at that time consisted of not more than fifty men, but they were fifty heroes. Having been born in Ontario I am proud of the part that regiment took in keeping Canada within the empire. I do not know what we would have done had they not come here at that time.

The Newfoundland regiment was brought here by General Brock. Before the war broke out, General Brock had been at Quebec city. Having come from the island of Guernsey, one of the Channel islands, the former home of many Newfoundlanders, General Brock desired a portion of the Newfoundland regiment to go with him to York, now called Toronto. This they did. Brock took them with him to what is now called Amherstburg, and they were not long there before they were in the thick of the fighting.

When Brock arrived before Detroit—or, as the English called the area at that time, the straits—he had with him about fifty of the Royal Newfoundland regiment. The euphonious French word, Detroit, has been applied to this place ever since. These fifty men participated in that great victory, the capture of Detroit, which helped Brock in the splendid work he did before his death. After that battle, members of this regiment remained in the forces in that part of Canada, in what was then called the "right division."

I have made an exhaustive study of this period in our history in connection with the work I am doing for the restoration of the site of Moraviantown, in Kent county—Moraviantown was known in those days as Fairfield. The Royal Newfoundland regiment remained under Colonel Proctor in the "right division" and took part in the engagements on the Maumee. They fought up as far as Fort Wayne. They also took part in the attack by Proctor on Fort Meigs. I do not know whether they were at Fort Stevenson, Sandusky, but I presume they were. After the retreat of Proctor, the members of the Newfoundland regiment retreated with him. The majority of the party were taken prisoner east of the present city of Chatham when the boat in which they were ascending the Thames river was captured.

Later members of this regiment served in the vicinity of Toronto, then called York, and still later in the vicinity of Prescott in the attack on Ogdensburg. I shall not take the time of the house to enumerate all the points in which they served, but history records that on many fields a portion of the Royal Newfoundland regiment did a major job in Upper Canada and aided in preserving this part of Canada for the British empire.

In the pursuit of my inquiries I learned of course about the battle of Moraviantown—or, as it is called in American history, the battle of the Thames—which was fought on the 5th of October, 1813, about three miles east of the present town of Thamesville in Kent county. During the last ten years I have made extensive studies in that part of the country, because, Mr. Speaker, in 1950 we expect to hold an international commemoration service at the site of Moraviantown. We hope the President of the United States will attend, along with the governors of the states of Ohio, Kentucky, Pennsylvania and Michigan. At the battle of Moraviantown the governor of Michigan was present, Governor Cass. General Meigs, the governor of Ohio, was not on the battlefield, but was on his way there. Many of his troops served in that battle. Governor Shelby of Kentucky was on the field. I assume that the present governors of these states will attend the commemoration service. The American commanding general at that battle was General W. H. Harrison, who later became President of the United States. I expect that President Truman will attend this service next year; also the governor of Pennsylvania, from which state many of the soldiers came, as well as many of the citizens of Moraviantown.

More than fifteen years ago, in the pursuit of the studies I was making, I decided to go to Newfoundland. While there I made an exhaustive survey of what will soon be our tenth province. The names of places in Newfoundland are interesting, because the people are nearly all from the Channel islands, Ireland, or England. Not many of them are from Scotland. Even in St. John's I could hardly find a church of my own persuasion to which I could go on Sunday, because there are few Scots on the island. Quite a number of the people there are from France, or from the northern provinces of Spain, called the Basque provinces.

The names are beautiful. The first port at which one lands from Canada is Port aux Basques—one could hardly find a more attractive name. Then there is a port called St. Georges, and as you go round the coast you come to a place called Curling. There is Corner Brook, in which the big paper mills are situated; and there is Twillingate, from which so many Newfoundlanders left to come to Canada. As I said yesterday, perhaps a thousand of them now live in the riding of Davenport. I am well acquainted with many of them and know of their splendid qualities, their fine character, their ability and their industry. Naturally I am pleased indeed that their homeland is to become a province of Canada.

I could mention other names, such as Grand Falls, Harbour Grace, Carbonear, Bay Roberts—I spent some time there; Brigus; Ferryland, first settled by Lord Baltimore before he went to what is now the city of Baltimore in the United States. It is too bad he did not remain in Newfoundland; perhaps it would have been better for that country had he done so. All around the coast of Newfoundland you find these euphonious and beautiful names.

I made a thorough survey of the resources of the country, of which there are many. I was greatly interested in the iron mines, having been in the iron smelting business myself. Canada has bought from Newfoundland as many as several million tons a year of raw high-grade iron, all of which I believe went to the furnaces at Sydney, Nova Scotia. I hope it will continue to go there so that that great port in Nova Scotia may be kept prosperous.

After my return home I read an article in *Collier's*, the issue of April 12, 1941, which argued that Newfoundland should become part of the United States. I always found Newfoundland to be intensely British and intensely loyal to British institutions and traditions. It will be perhaps the most British province in Canada, and will be a welcome addition to that sentiment here. When I spoke on this matter in 1941 I quoted this paragraph from the article in *Collier's* to which I have referred:

> The Yanks have come for ninety-nine years. Maybe they would never leave. Maybe presently they'd take the whole island over, ship the commission of government back to England, build roads, start industries, set up Yankee relief, restore self-government.

That possibility will exist no longer when the house passes this bill, as I know it will.

There are one or two statements in this quotation of which we might take particular notice. One is "build roads." We must do that to help them out. I made a careful survey in the south part of the island, and it struck me that we would have a golden opportunity to make the island happy by building a road directly through from St. John's to Port aux Basques. I do not believe you can now motor across the island at all. But if the road followed the railway it would have to run away up north from St. John's to Grand Falls and finally come to Port aux Basques, a distance of over five hundred miles. A road straight across from St. John's to Port aux Basques would shorten the distance to be traveled and would speed up transportation between the various parts of Newfoundland and St. John's, and from the Avalon peninsula to Canada. The construction of such a road is one thing we might well keep in mind.

We should welcome these people by doing everything we can to make them happy. As

someone said yesterday, there may be differences of opinion, but there are differences of opinion about many matters of importance, and I shall not worry about that. I like the remarks made by my leader in that regard. I thought he handled the subject effectively and satisfactorily, as did the hon. member for Cape Breton South (Mr. Gillis.) We have an opportunity to do something for these people, to make them happy after Newfoundland becomes part of the confederation.

In addition to the roadway I have suggested I would strongly recommend that we have a new boat for the service between North Sydney and Port aux Basques. The last time I went across the strait I remember that the boat was a small one. It was satisfactory; I have nothing but compliments for it, but a new boat should be constructed so that freight cars as well could be transported. The narrow gauge railway from Port aux Basques to St. John's should be widened to standard gauge. I realize that it would take some time to do this, but it would make the people of Newfoundland happy that they had come into union with Canada. It would result in a great deal of business to them and to us also.

Let us consider Newfoundland as a tourist centre. We can say that every province in Canada is a magnificent tourist centre, and so it is. Newfoundland is a tourist's paradise. It has magnificent bays all around the island. As my leader said yesterday, when John Cabot and his son first reached Newfoundland they were so strongly impressed by what they saw that they called the place Bonavista, which means "beautiful view", and it certainly is a beautiful view. That name could be applied to any of the magnificent bays about the island. Then up in the north, at the centre of the island, as those who have been there know, for two hours before you arrive you see high projections or peaks which they call the Topsails. They are named the Foresail, the Mizzen Topsail, the Main Topsail and the Gaff Topsail. The view which they present is a topographical wonder, well worth anyone's trouble and expense to go to see; and so all over the island. It is a natural paradise.

Finally, Newfoundland has magnificent ores, one of which I have mentioned, iron. Iron ore from that country is the basis on which the fine city of Sydney has been built. I hope that every effort will be made to keep the Sydney plants in operation, using the iron ore which will now probably come in in larger quantities. It came in free of duty anyway. It is obtained at Bell island, not far from St. John's. I have been there. It is a very high grade ore, and a resource which can help to build up eastern Canada. We must do all we can to build up eastern Canada.

In the addition of seven representatives to the membership of the House of Commons, and six in the other place, the union of Newfoundland with Canada will greatly strengthen the delegation from the maritime provinces. From the maritimes we now have twenty-six members in the House of Commons and twenty-four in the other place. The members and senators from Newfoundland will be a welcome addition to the strength of the maritime delegation—and it cannot be too strong. If the electricity program I announced last year were carried out in its entirety, the delegation from there would be doubled. I am happy to say that at the conclusion of my speech in 1941 I said that the island would be entitled to seven members in the House of Commons and five in the other place.

I am pleased at having had some small part in creating favourable sentiment towards union, both in Canada and in Newfoundland. I have been given some credit for that in the press in Newfoundland. I created favourable sentiment here, particularly through the Newfoundlanders in my own riding. I feel that I have had some small part in bringing about this sentiment in Canada, in relation to a project which has been mooted since 1858, as the hon. member for Carleton (Mr. Drew) said yesterday. I take a good deal of satisfaction in having had a small part in the creation of the feeling which has brought this grand climax to the whole program of the fathers of confederation, namely, the bringing in of Newfoundland to form the tenth province of Canada.

Mr. T. L. Church (Broadview): Mr. Speaker, I was a member of the committee which considered the Labrador case, and I took part in the debate regarding that important part of Newfoundland. As hon. members know, Labrador was given to Newfoundland by a decision of the privy council. It had been under the protection of the British government, you might say; a governor had been appointed to the territory and Labrador was given to Newfoundland.

I wish to bring before the house the questions which were before the committee at that time. First of all, according to Beauchesne's Parliamentary Rules and Forms:

> The second reading of a bill is that stage when it is proper to enter into a discussion and propose a motion relative to the principle of the measure.

According to May, the last edition:

> The second reading of a private bill corresponds with the same stage in other bills, and in agreeing to it the house affirms the general principle or expediency of the measure.

The present Prime Minister (Mr. St. Laurent) was minister of justice at the time this other matter was under discussion. I hold

in my hand a copy of *Everybody's* magazine, published by a great man in England, Mr. Poke. In an article he refers to the present Prime Minister. The article is a laudable one, which I approve. I knew the present Prime Minister before he was a member of this house. I have always had a great admiration for him because of his many personal qualities, which have endeared him to a large number of people. In the city I come from he opened our winter fair, and he has been a welcome guest there.

I also wish to refer to the leader of the opposition (Mr. Drew) because I have known him longer than anyone else in the house has. I knew his father: I knew our leader as a student at the university of Toronto. I did not like the reception the leader of the opposition met with here last Friday night, because he is a great Christian gentleman. He is a distinguished lawyer, and was an athlete. He is a kind-hearted man. I cannot speak too highly of the services which he gave to the glorious cause of education. I remember when he lived on Wellesley street. I lived around the corner from him, and he was a member of a great fraternity, D.K.E., opposite the house where young Jack Copp, a varsity rugby player, was killed by a burglar a few years ago. I have always been a great admirer of the leader of the opposition and I am a strong supporter of his today.

Now I wish to say something about the merits of the proposed bill. I was a member of the house in 1941 when the hon. member for Davenport, the great traveler and discoverer, took a trip down there in the summer of 1941. He made some discoveries about Labrador. The bill which was before us in 1947 had to do with the Quebec, North Shore and Labrador railway. I was a member of the committee which dealt with that bill. Important matters came up in that connection. At that time we had no control over Newfoundland. The sponsors of the bill were proposing to deal with the natural resources of Labrador and to build railways in contravention of the Railway Act. At that time we inserted a saving clause which read:

> Provided that authority be obtained from Newfoundland.

That was a wise provision, because Labrador, I understand, is to have one member in the House of Commons and one senator. The final discussion on Labrador took place on April 25, 1947, and I shall quote from page 2433 of *Hansard* of that year. In connection with the bill many matters came up. The sponsors of the bill were asking for hotel services and railway services. At that time we did not own the territory or the country. Here is a matter which I brought up at that time:

> Another point I wish to make is that we are committed to a 99-year lease on bases, from Newfoundland to British Guiana, between Britain and the United States. That lease was given with the consent of Canada. We have given to the United States leases on all the bases in the Atlantic ocean, including some on the shores of Newfoundland and Labrador. The bases are not all out in the ocean, because some are on Greenland, Iceland and other places in the north country, including Newfoundland and Labrador, the territory under the joint defence board and the atomic board.
>
> This proposed agreement is ultra vires of the dominion. At the end of the bill it is brought under the Railway Act by saying that it is declared to be for the general advantage of Canada.

We did not have the power in the House of Commons at that time to sanction the Labrador bill. But this lease for ninety-nine years was practically a freehold. They were urging that the Newfoundland and Labrador bases be given to the United States, although the lease for ninety-nine years was to protect United States shores.

I believe the government of Canada, the provincial governments and Newfoundland would be well advised to seek the co-operation of Britain and the United States in having that lease cancelled and charged up to lend-lease. In the darkest hours of the war, during the battle of the Atlantic, fifty ships, many of which were not fit for use and some of which could not be taken to sea, were given as consideration for that lease. I hope the Prime Minister will do something to help Newfoundland and Labrador by taking the action which I suggest.

I support the principle of the bill now before the house, and hope that it passes the House of Commons unanimously. If it does, I know that sooner or later we shall have the Chignecto canal leading into the bay of Fundy, because that is the back door into the St. Lawrence waterway. I speak with the possibility of war in mind—because this present weaponless war, as I call it, is just as dangerous as was the Hitler war. They are almost two of a kind.

I believe a better day is dawning for Newfoundland and Labrador and also for this country. Newfoundland was a pioneer at the time of confederation. I support my leader on the stand he has taken, and also the Prime Minister in what he has said. I do urge, however, that the giving up of those bases in Newfoundland and British Guiana in the darkest hours of the battle of the Atlantic should not be charged against Canada, Newfoundland and Labrador, but that negotiations should be had with the British government and with the United States to have them charged up to lend-lease.

Newfoundland

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to speak briefly concerning only two matters which arise from the bill now before us. It has been said by a number of hon. members who have already spoken that as Canadians we must do our best to extend the warmest possible welcome to the people of Newfoundland as they enter confederation.

One of the consequences of confederation will be the coming to this city and to parliament of seven members of the House of Commons and six members of the other place. The question I raise, and which I hope is being considered by the government, is this: What sort of welcome will it be for these thirteen new members of the Canadian parliament if, upon arriving here, they find they have no office space? I suggest strongly that this is a matter which should receive the serious consideration of the government, and I suggest further it would not be out of place for the government to indicate to parliament whether or not such consideration is being given, and if so, along what lines.

This matter has been taken up on many occasions both in the house and with officials of the house, not only because of the coming to parliament of representatives of Newfoundland, but because of the overcrowding already existing, and because of the increase in membership provided by redistribution.

Mr. Probe: Put the senators in the new printing bureau.

Mr. Knowles: My hon. friend suggests that the senators' offices might be moved to the printing bureau. To say the least, space might be found in the east block for members of the other place; they would be somewhat closer to the Chateau Laurier. But speaking seriously, this is a matter that does require consideration.

I could make a case for the greater space needed for members on the opposition side of the house. Were I to do so, it might be regarded as a case of self-interest. May I add however that it seems to me to be unfair and poor business when so many parliamentary assistants, who have certain extra duties as a result of their appointments, find themselves crowded in the matter of office space.

I urge the government to give consideration to this matter, particularly because of the way in which the problem will be aggravated when these new members come from the province of Newfoundland. I would ask the government to do the fair thing and to tell us, either from the floor of the house or informally, what ideas they have, and to indicate whether or not progress is being made toward implementing those ideas.

[Mr. Church.]

If the government wishes to have my suggestion, then I have already made it, namely, that space be found in the east block for the offices of a number of senators, including those we now have and the new ones who may be appointed within the next few months, and that members of the House of Commons be permitted to move into some of the offices thus vacated. As a matter of fact, in the light of the number of vacancies in the other place at this time, it seems to me only fair that this working section of parliament should be entitled to some of the vacant space on the other side of the building.

Mr. Graydon: The government will not need much space after this.

Mr. Fraser: The C.C.F. want to go into the red.

Mr. Knowles: My hon. friend's remarks are understandable. They are the observations one would expect to be made the morning after the night before.

Mr. Graydon: What a day!

Mr. Knowles: I move on to say a word about the other matter I mentioned at the opening of my remarks. It has been touched upon by the hon. member for Broadview (Mr. Church), although I must confess I was not able to hear his remarks well enough to get clearly the point he was making.

I too am concerned about the relationship between the measure now before us and chapter 80 of the statutes of 1947, an act to incorporate Quebec, North Shore and Labrador Railway Company. I understood the hon. member for Broadview to point out that there had been inserted in that act a saving clause as set out in section 7 to the effect that all the things parliament was permitting this company to do should be done only up to the border of Labrador, and that from that point on, permission would have to be secured from Newfoundland. The reference is not to the government of Newfoundland, to the provincial government of Newfoundland or to any government in the future. I raise the question as to what now happens when Newfoundland becomes a province of Canada. My point is of particular concern in view of the fact that section 20 of the Quebec, North Shore and Labrador Railway Act says that—

> The works and undertakings of the company are hereby declared to be for the general advantage of Canada.

We all recall the arguments in the house at the time this bill was before us. Hon. members will have in mind our opposition, lest this act be made a means whereby private interests would have the opportunity to exploit a great natural resource in the north-eastern section of this continent, a resource

part of which was in Canada and part in another country, namely, Newfoundland. I am wondering whether the action we are taking today, without some kind of assurance or saving clause, does not give to the company —provided they exercise the right within the five-year period set out in section 19 of the act to which I have referred—the right to go in and exploit for private gain the iron ore resources and other great natural wealth to be found there.

That wealth can mean great things for the people of Newfoundland, if properly developed in the interests of the people. It can mean great things for the people of Canada as a whole. I should hope that when we reach the committee stage on the bill and are dealing with the section concerning natural resources, the ministers piloting the various sections through the committee might be in a position to give us at least their opinions as to what the situation would be with respect to the act to which I have referred. As hon. members are aware, we are vitally concerned that the great natural resource be developed for the good of the people of Canada as a whole, including the people of Newfoundland, and not for the advantage of private interests.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: Carried.

Mr. Speaker: Mr. St. Laurent moves that I do now leave the chair and that the house resolve into committee of the whole on said bill.

Mr. Drew: Mr. Speaker, I thought the Prime Minister intended to speak on the second reading.

Mr. St. Laurent: I had intended to say something about the points that have been raised, but I did not insist because I thought I could make those remarks as soon as the house got into committee. Then if what I said suggested further questions, those questions could be answered during the committee stage. While Mr. Speaker is in the chair I could say what I intended to say but I do not think that that would be of any particular advantage to hon. members.

Mr. Drew: I do not want in any way to seek a change in the ordinary rules of the house. The reason I did not speak on second reading was that I thought the Prime Minister had indicated that he was going to speak. There are certain observations that I should like to make on the second reading, and in view of that I should like to have your consent, Mr. Speaker, to proceed.

Mr. St. Laurent: That will be quite agreeable to us. After I had moved the second reading, if I spoke I would close the debate. I thought that if I were going to close the debate it would be just as convenient to have my intended remarks made in committee, where there would be an opportunity to ask further questions as might be suggested. I think it is the desire of all hon. members of the house that no one be deprived of his right to speak on the second reading. If the leader of the opposition wishes to do so I think we could consider the motion as not yet carried and allow him that opportunity.

Mr. Knowles: Is this a precedent that might be quoted on future occasions?

Mr. St. Laurent: If on a future occasion the circumstances are such as they are today, I hope it would be the temper of the house to make the same disposition as I suggest should be made today.

Mr. Deputy Speaker: Has the leader of the opposition unanimous consent to speak at this time?

Some hon. Members: Agreed.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to make certain remarks on second reading of this bill and explain my position in regard to the agreement which accompanies it.

First of all, I should like to refer to the remarks that I made yesterday when the motion was before the house, and express the hope that the Prime Minister (Mr. St. Laurent) will have something to say on those points before the house goes into committee. I believe that they raise important considerations which should be borne in mind by hon. members when dealing with this extremely important bill.

The bill itself is simple and brief. It merely has the effect of approving the terms of the draft agreement which was settled by the representatives of the Canadian government and by those who had been appointed to represent Newfoundland in those discussions. In effect, the considerations before hon. members on second reading of this bill are very similar to those which were before them yesterday when they were dealing with the motion.

The question before hon. members is really whether or not they wish to proceed with the arrangements which have been made to bring Newfoundland into confederation.

I think it should be pointed out and remembered during the discussions that in a case of this kind there is not the latitude to suggest amendments which can be exercised ordinarily when a bill is in committee. Usually, when a bill is in committee, any changes that are made by way of amendment or deletion affect the legislative authority of this house

alone. Therefore if there are any changes in the minds of hon. members, there is no reason why those proposals should not be put forward, by way of argument, by way of amendment, or otherwise within the rules of the house.

But in this case it must be remembered that the government, acting on behalf of Canada, has signed a draft agreement which is now before us as an appendix to this bill. The same draft agreement has been signed by those who were called upon to represent Newfoundland, no matter what their status may have been. Therefore, the house must recognize that if the terms of union are to proceed they must of necessity proceed upon the basis of the draft agreement which has been presented if there is to be concurrence within the terms of that agreement.

The principle involved is to agree or not to agree to proceed with the terms of union along the lines of this draft agreement, but the support of this bill which brings such draft agreement into effect for the purpose of completing the confederation cannot be regarded as approval of every term of that draft agreement.

As I pointed out to the Prime Minister yesterday, there is real objection to the inclusion in an agreement of this kind of a provision which, on the one hand, permits a province to do a particular thing and to carry out a particular type of production and, at the same time, places a limitation upon the sale of that product in other parts of Canada. It matters not that the particular provision may have no practical effect now that the decision of the supreme court has been given in regard to the constitutional authority of the parliament of Canada to place restrictions on the manufacture and sale of oleomargarine. The fact remains that imbedded in this agreement is a principle which, if it were accepted as one which could apply to other types of production within Canada, would produce very unsatisfactory results. It could, in fact, produce the very thing that confederation was intended to bring to an end; that is, any form of trade barrier between the provincial areas within Canada.

For that reason I think this particular provision might well be made the subject of discussion between the government of Canada and the representatives of Newfoundland, with the idea of deleting it so that a principle which may have very serious consequences in some other case might not be established as a precedent which would be contrary to the practice that has been so carefully followed ever since confederation. I strongly urge the Prime Minister (Mr. St. Laurent) to take this suggestion into consideration, because it would seem to me that there is no reason why the dominion government on the one hand should wish to put forward any special provision for one province, and on the other hand impose a restriction in relation to that particular provision.

I should like to point out also that in relation to the financial arrangements there is a restriction which does not apply to any other province. As I pointed out yesterday, there is a specific undertaking that, even though new financial arrangements are made with other provinces, that is not to be taken as a ground for any claim by Newfoundland for similar consideration by way of adjustment of their position. Again, it seems to me, that is imposing a particular restriction on a single province, which is not consistent with the uniform type of arrangements which have applied to the other provinces of Canada.

As will be recalled, this provision is not something which can have only a theoretical importance. It is related to events which actually occurred in regard to the adjustment of financial arrangements with other provinces during the past two years. When the then minister of finance, Mr. Ilsley, announced in this house in 1946 the terms the dominion government would put before the provinces as the alternative to the retention by the provinces of their major taxing powers, no provision was made for any changes to follow. But very shortly after those proposals, or I should say those arbitrary terms, had been stated in this house, negotiations took place between the dominion government and different provincial governments. As the result of arguments advanced by one provincial government, some changes were made; and those changes were passed on to the other provinces. Then certain very advantageous terms were placed before British Columbia. I am not suggesting that those terms were not quite properly demanded by that province, because British Columbia has found even the present terms inadequate. Nevertheless there was an immediate demand from the premier of New Brunswick and other premiers that they should receive equally favourable terms, and so the bidding and the consequent adjustment went on. It was a form of horse trading between governments, such as had been anticipated by Sir Wilfrid Laurier so many years ago when he condemned this very practice in such vigorous terms, saying that such arrangements usually were merely the payment of a note given in return for political treachery. I remind hon. members that those are the words of Sir Wilfrid Laurier, not mine; but this type of horse trading over the subsidies that should be paid in return for taxing powers has produced precisely the result anticipated so many years ago by Sir Wilfrid Laurier.

At this point may I interject that when I was premier of Ontario and was putting forward the position of my province, I did not refuse to deal with subsidies as part of the arrangement. I mention that because of certain remarks made during the debate on the address prior to its adjournment last Friday evening. I would remind hon. members that the proposals I put forward at that time are a matter of record, and that we in fact proposed a system of subsidies on a basis which would adjust itself to the requirements of the provinces, with a national adjustment fund, which was the key recommendation of the Rowell-Sirois report. We stated that we wished to enter into arrangements of that kind under a transitional agreement which would also provide for an examination of the whole combined taxing system of Canada by competent experts of all the governments and other experts who would be brought in to examine this extremely important subject.

We pointed out that there is only one group of taxpayers in Canada, who pay taxes to the dominion government, the provincial governments and the municipal councils. We pointed out that there is no magic by means of which money can be drawn from any obscure source. There is no question of generosity on the part of the dominion government involved in any of these proposals or, if one chooses to use the term preferred by the minister of reconstruction (Mr. Winters), no question of beneficence. There is nothing of that kind. The dominion government is merely the collecting body which draws from the people of Canada taxes for the purpose of undertaking certain responsibilities. If the dominion government requires more money for the purpose of making payments back to the provinces, the money comes from the very same people; it comes from the taxpayers of Canada as a whole.

What we recommended then, and what I still recommend, is that there be an examination of our whole taxing system so that the taxes required by the dominion government, the provincial governments and the municipalities may be adequate for the responsibilities they are called upon to assume. In this way we may be enabled to establish in Canada the most scientific tax system possible, adjusted to meet the modern conditions in which we live, so that the taxes called for by these three levels of government may be imposed upon the people of Canada in a way that will place a less onerous burden upon them and place the least possible restriction upon personal effort and upon production in every part of this country.

I think it is appropriate that I should recall my recommendation in that respect, because certain comments have obviously been made without knowledge of what we actually recommended. I also refer to that proposal because it has a very direct bearing on the terms that are included in this draft agreement between Canada and Newfoundland. The representatives of Newfoundland have accepted terms similar to those which were placed before the provinces of Canada in this house in 1946. This restriction has, of course, been placed upon Newfoundland that they cannot apply for an adjustment in consequence of a subsequent adjustment with any other province. I suggest, Mr. Speaker, there is a particular reason for that restriction being included.

This agreement also does something that I recommended, and recommended very strongly as premier of Ontario at these dominion-provincial conferences. I urged that, in addition to the taxing systems we proposed and the subsidy payment provided by a transitional agreement, there be also an immediate recognition of the recommendations in the Rowell-Sirois report that a national adjustment fund be set up. We urged that such a fund be set up on a basis very much higher, however, than that recommended in the Rowell-Sirois report. This would enable those provinces still needing additional financial support, over and above the ordinary subsidy payments during the transitional period, to obtain funds from this national adjustment fund. Perhaps I should interject that it is a matter of record that I also said I was prepared to agree to any form of distribution of that fund, which was acceptable to those provinces receiving contributions from it.

I mention that for this reason. In the draft agreement with Newfoundland the principle of grants in aid, recommended by the Rowell-Sirois commission, is recognized. Over and above the ordinary subsidy payments, there are substantial grants in aid which are related to the recognition of special financial requirements. I find it difficult to believe it was not in the mind of the dominion government that, when this new province shall receive these special grants, there may well be demands from those provinces that have accepted these unsatisfactory terms. In some cases the provinces are not satisfied and there may well be a demand from them that they receive similar consideration. It would look as though the dominion government had decided that this type of horse trading would have to stop some place. Therefore they decided, after further negotiations, that they would say to Newfoundland, at that point it stops; you cannot claim any more.

If that is the purpose, and I cannot see any other purpose in placing such a limitation

in the agreement, then right at the outset we are accepting the inclusion in the agreement of something that the people of Newfoundland, within a comparatively short time, may consider unsatisfactory, having regard to the speed with which those adjustments took place after the terms of the dominion-provincial agreements were announced in the House of Commons in 1946. I therefore come back to my comments of yesterday on this subject. I suggest to the Prime Minister that consideration be given to the unsatisfactory results that might follow the inclusion of a limitation of that kind, and that, through negotiation with the representatives of Newfoundland, this particular restriction be deleted.

In so far as these arrangements are concerned, it is appropriate to point out that the representatives of Newfoundland have concurred in these terms. Whether the authority of those who represented Newfoundland was adequate is, as I said yesterday, something to be determined by the people of Newfoundland and the government of the United Kingdom. The mere fact of concurrence, however, does not constitute a reason for opposing the terms under which the union goes forward. I wish to make it clear that I see very serious objections to the provisions I have mentioned. I think it would be desirable that these grounds of possible objection be removed. It could be done by consultation; and, if it is done, at least two reasons for misunderstanding in the near future may have been withdrawn from the terms of union.

There is in this agreement a provision that the subsidy payments may continue, not for the shorter period in which they are payable to the other provinces but, on the option of the representatives of Newfoundland, for an extended period of eight years. This is not a ground for opposing the terms of union, although I do object in principle to such an arrangement. It has been agreed to by certain provinces. I think it is an unsatisfactory arrangement, but that is for them to decide. The whole problem, of course, can be solved when there is a resumption of the dominion-provincial conferences and the dominion government and provincial governments sit down, as they should, and discuss the whole relationship of the dominion and provincial governments in the tax field, with particular reference to the financial requirements of the municipalities in Canada from the Atlantic to the Pacific.

The very terms of this agreement once more emphasize the need for the revival of that conference, which only stands adjourned by the dominion government and can be recalled at any time by them. This action has been requested over and over again, not only by myself, but by other premiers of the provinces of Canada. The terms of the agreement emphasize as well the need for a conference which will set up a continuing, integrated, functional relationship between the dominion government and the governments of the provinces, so that the very type of discussions which are suggested by some of the terms of this agreement could, from time to time, be dealt with by the representatives of those governments who are working together within this federal structure, and who can deal with practically any problem that may arise, without the necessity of any constitutional change, so long as they work together in a spirit of co-operation and good will.

I should like particularly to remind the people of Newfoundland that, in supporting this bill which embodies these terms, it will be my aim, as it will be the aim of those associated with me in this house, to bring about such a conference at which Newfoundland and the other provinces will be present, where the combined constitutional authority of all these governments can be brought together most effectively for the advantage of the people of Newfoundland, of every other province of Canada, and generally for the welfare of Canadians.

Mr. Deputy Speaker: I must remind the house that if the Prime Minister speaks now he will close the debate.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, when I asked a few moments ago for the unanimous consent of the house to hear the remarks of the leader of the opposition, I did not realize what I was letting the house in for. But I am sure we have all found it most interesting to hear him extol and congratulate himself on the high statesmanship of his attitude in respect of dominion-provincial relations.

Mr. Drew: Mr. Speaker, I rise to a point of privilege. I sat down because the Prime Minister indicated that he was going to speak. I received no concession from this house when I spoke; and I sat down on the understanding that the Prime Minister was going to speak.

Mr. St. Laurent: On the point of privilege, Mr. Speaker, I would suggest that the leader of the opposition read the rules of this house. When he does so, he will learn that, if the mover of a motion speaks in the course of a debate, he closes the debate; and that no one can be heard in that debate after he has spoken. If the leader of the opposition felt that I was rising to speak, and did not object to my doing so at that time, his failure to

object would have prevented him, in the absence of consent of the house, from himself being heard. That explanation having been made, and because I felt that possibly there might have been some misunderstanding of the effect of the rules of this house, I asked the house to waive the application of the rule, even to waive the motion that had been put for the second reading of the bill, and to revert to a previous stage so that the leader of the opposition might be heard, not after I had spoken but before. He could not be heard after I had spoken. I think that is exactly what the position is. If the hon. gentleman did not wish to have any courteous waiver of the rules by the house, I am sorry that the circumstances made it necessary for him to have it in order to make the remarks he has made at this stage of the discussion.

Mr. Drew: I was under the impression, from some of the earlier proceedings, that it was someone else who needed to read the rules of the house.

Mr. St. Laurent: It may be. The hon. gentleman is not the only new arrival in this house.

Mr. Rowe: The Prime Minister himself might read them.

Mr. St. Laurent: I do not intend to be led into discussing at this time the whole matter of dominion-provincial relations. The motion before the house is for the second reading of this bill. Other opportunities will be presented when the matter of dominion-provincial relations can be taken up again. On this bill I wish to deal with the pertinent points made by the leader of the opposition. The first one is the undesirability of there being in the terms of union something which appears to many to be a new principle; that is to say, some impediment or barrier to interprovincial trade arising out of the terms of this clause which was inserted in the agreement with respect to oleomargarine. I think I am privileged to refer to the document, since it has been tabled, and I am referring to the document that was tabled and not to the schedule of the bill as such. In the document tabled, term 46 provides as follows:

(1) Oleomargarine or margarine may be manufactured or sold in the province of Newfoundland after the date of the union and the parliament of Canada shall not prohibit or restrict such manufacture or sale except at the request of the legislature of the province of Newfoundland, but nothing in this term shall affect the power of the parliament of Canada to require compliance with standards of quality applicable throughout Canada.

(2) Unless the parliament of Canada otherwise provides or unless the sale and manufacture in, and the interprovincial movement between, all provinces of Canada other than Newfoundland, of oleomargarine and margarine, is lawful under the laws of Canada, oleomargarine or margarine shall not be sent, shipped, brought, or carried from the province of Newfoundland into any other province of Canada.

Hon. gentlemen will notice with what care this provision was drafted. It provided that the parliament of Canada would not prohibit or restrict such manufacture and sale in Newfoundland except at the request of the legislature of the province of Newfoundland. By a majority judgment the supreme court has now decided that the parliament of Canada cannot prohibit or restrict the manufacture or sale of oleomargarine in any of the provinces. I must confess that one of the reasons given in the majority judgment came to me rather as a surprise. I had assumed that this provision in the Dairy Industry Act was one which related to the subject of agriculture. As hon. members know, parliament and the legislatures of the provinces have concurrent jurisdiction in respect of matters dealing with agriculture. But the supreme court held that this was not a matter related to agriculture, but rather something which was local and private within the province. Consequently it held that the parliament of Canada had no jurisdiction in regard to it. The clause as drafted envisages that the parliament of Canada would not so "prohibit or restrict" except at the request of the legislature of Newfoundland. If the parliament of Canada has no jurisdiction, in that the matter does not come within the clause relating to agriculture in the British North America Act, it cannot do anything at all about it. My view was that if it had jurisdiction, it was because the subject matter related to agriculture, over which both parliament and the legislature would have jurisdiction. As far as I was concerned, I felt that it might be proper, in a matter in which both had jurisdiction, to agree, since oleomargarine had been available in Newfoundland for a long time, that the parliament of Canada would not exercise its jurisdiction unless the legislature of the province requested it to do so.

The term provided in addition that, if this was something over which parliament had jurisdiction, the oleomargarine manufactured and offered for sale in Newfoundland would not be exported into any other of the Canadian provinces, unless the parliament of Canada, having jurisdiction, made it legal for oleomargarine to be manufactured and sold in those provinces. That is the thing that is regarded as setting up a barrier to trade, involving a new principle.

Well, Mr. Speaker, it does not involve a new principle. There have been for many years in the dominion and in the provinces a barrier to the transportation, or to the forwarding from one province to another, of any form of intoxicants. The provinces have

asserted their control over the sale and distribution of intoxicants within their respective areas; and under these provincial laws it is an offence, which is sometimes committed unwittingly by Canadians going from one province to another, to have in a province any intoxicant which has not been purchased from the liquor control board of that province. Very recently I was a bit embarrassed by a guest at my own apartment who had an empty bottle that had contained something which would be regarded by most persons as coming within the legal definition of intoxicants, and which had been purchased from the board of control of Quebec.

Under the legislation administered by the leader of the opposition, it has been for a good many years an offence to have in Ontario any intoxicant that has not been purchased from the board of control which operated under the government of which the hon. gentleman was the premier for several years. That was not only something done by the provinces. So that it might be fully effective throughout the whole dominion, in spite of the fact that the dominion has jurisdiction in interprovincial trade, there were introduced into the Canada Temperance Act by a statute of 1916, amended in 1919, the provisions which are now sections 168 and following of the Canada Temperance Act, which is itself chapter 196 of the Revised Statutes of Canada, 1927. That makes it an offence punishable under the terms of the legislation of the parliament of Canada to transport or have in one's possession any intoxicant—and the word is defined by the statute—contrary to the provisions of the laws of the province where the person happens to be. Therefore, in order to make effective this barrier to the trade in intoxicants produced or manufactured in one province and designed to be sold in other parts of Canada, the legislatures of the nine provinces of Canada and the federal parliament agreed in setting up this concurrent system which makes it an offence punishable under the laws of Canada to have anything which is not allowed under what the legislature has seen fit to provide as the regime in the province where it exercises its jurisdiction.

In a general way, since 1919, the Canadian public has regarded that portion of the legislation of the provinces and of the dominion as good legislation. Perhaps I should say that I have heard it is the intention of the government of one province to recommend to the legislature a prohibition against the manufacture and sale of oleomargarine within its limits. There was a report that the premier of Prince Edward Island, in the exercise of the jurisdiction which the majority of the supreme court have declared to be that of the provinces, had said that he was going to recommend to the legislature of his province that the manufacture and sale of oleomargarine be prohibited.

Mr. Drew: I believe he has already dealt with it by order in council.

Mr. St. Laurent: That may be so. I was not aware that it had come into effect, but I did read in the newspapers that it was the intention to do that.

This matter of where the jurisdiction lies in the sale of commodities that might compete with the produce of the dairy industry may not yet be finally settled. The Canadian Federation of Agriculture is still considering the advisability of applying to the privy council for leave to appeal, and has quite recently asked the Canadian government whether it would not itself assert an appeal. It has been informed that that was highly improper in view of the attitude taken by the government in recommending to this house that there be in future litigation no further appeals to the privy council. Whether or not there will be an appeal has not yet become certain.

When these terms of union were drafted and signed there had been no decision from the supreme court. If hon. members will reread them they will see that they were carefully prepared, to be applicable to any situation that might arise. If the jurisdiction had remained with the federal parliament, or if an appeal to the privy council results in that tribunal saying that it does rest in the parliament of Canada, then term 46 will make it certain that the people of Newfoundland will not be deprived of the right to continue to use a substitute for the butter they do not produce in their island, and which they have been using for so many years. If on the other hand it is decided by the courts that the parliament of Canada has no right to do anything about it, the fact that the government of Canada agreed with the delegation of Newfoundland that it would not do anything about it is not going to cause any harm to anybody.

It may be suggested that there is a difference between intoxicants and oleomargarine. There is. Intoxicants are obviously connected with peace, order and good government in a local way. Therefore it is obvious that those who are responsible for peace, order and good government in a local and private way within a province can be concerned about exercising proper control over the sale and distribution of intoxicants.

Are the manufacture and sale of oleomargarine something about which provincial governments or provincial legislatures are concerned? The majority of the supreme court have said that it is. They have said that it is something of local and private con-

cern within the province. Well, if it is, the provincial legislatures have a right to do about it that which may appear to them to be in the public interest. They are the ones to judge, if they have the jurisdiction, what they should do about it.

The exercise of jurisdiction is never in any instance controlled by the opinion one may hold about the wisdom of the way in which the person having the jurisdiction has exercised it. The privy council has repeatedly said that it will not concern itself with the wisdom or otherwise of the exercise of jurisdiction, if there is jurisdiction. If there is jurisdiction, the constitution says where that jurisdiction lies; and it is those who have the jurisdiction who are supposed to have the wisdom to exercise it properly.

With respect to the second point, that there is in the terms of agreement with the province of Newfoundland something which is different from the terms to be found in the tax agreements with the other provinces, I believe the leader of the opposition (Mr. Drew) has omitted to look at the last part of the clause in question. That clause provides that the government of the province of Newfoundland shall have the right to enter into a contract with the dominion government along the same lines as the contracts made with the other provinces; but that it shall also have the option of making that contract, not only for the period for which it is made with the other provinces, but for five years longer than the period made with the other provinces.

Mr. Diefenbaker: What paragraph is that?

Mr. St. Laurent: That is term 27 (2). Perhaps I should read it, so that my point may be not only asserted but proved on the record. It states:

> 27. (1) The government of Canada will forthwith after the date of union make an offer to the government of the province of Newfoundland to enter into a tax agreement for the rental to the government of Canada of the income, corporation income, and corporation tax fields, and the succession duties tax field.
>
> (2) The offer to be made under this term will be similar to the offers to enter into tax agreements made to other provinces, necessary changes being made to adapt the offer to circumstances arising out of the union, except that the offer will provide that the agreement may be entered into either for a number of fiscal years expiring at the end of the fiscal year in 1952, as in the case of other provinces, or for a number of fiscal years expiring at the end of the fiscal year in 1957, at the option of the government of the province of Newfoundland, but if the government of the province of Newfoundland accepts the latter option the agreement will provide that the subsequent entry into a tax agreement by the government of Canada with any other province will not entitle the government of the province of Newfoundland to any alteration in the terms of its agreement.

In other words we say to them: You may have your choice; first, you may place yourselves in the same position as the other provinces. But if for greater security you wish to have at once an agreement that will go on five years beyond the agreement with the present provinces, you have to make it as a firm agreement for the whole period. And if we make a new agreement in 1952 with the other provinces, that will not entitle you to have yours revised. In other words, you cannot have it both ways. You cannot have an agreement whereby, if we make a less favourable agreement from 1952 to 1957 with the other provinces, you will keep the former advantage, whilst, if we make a more favourable agreement with the other provinces, you will get the increased benefits. You must say at the outset whether you will stand on the same level as the other provinces and get in 1952 the same kind of agreement they get, or you can at once secure for yourselves the benefit for a further period of five years on the present basis. But if you do that, you take it for the period for which you are exercising your option.

I submit that is not a principle which would prove substantially to be objectionable.

I am fully in accord with the leader of the opposition when he states that the principle we are now debating on second reading is as to whether there should be made an agreement for the union of Newfoundland with Canada on terms which will appeal to the people of both sections as fair and reasonable. We suggest that these terms are fair and reasonable. But accepting the principle of the bill does not involve acceptance of the individual terms. It involves merely the desire of parliament to look at the document to see whether or not it amounts to fair and reasonable terms.

The hon. member for Broadview (Mr. Church) raised the question of the embarrassment which might result to the people of Canada from having Newfoundland join with Canada in view of the fact that in 1941 there had been given a ninety-nine year lease for certain military bases in Newfoundland. Those leases were made on terms agreed to by the government of the United Kingdom and that of the United States at a time when the situation was a most unhappy one. The leases are in existence. The government of the United Kingdom, the government of Newfoundland and the government of Canada alone can do nothing to modify those terms. They create a condition for years in certain areas in Newfoundland; and they must be respected, unless it can be arranged with the government of the United States that they shall be varied.

There are in process at the present time negotiations looking to variation in the leases to bring them into accord with the joint declaration made by the President and the

Prime Minister on February 12, 1947, about the principles which would govern the arrangements for military co-operation between the two countries. Those principles were agreed to by the two governments. They were announced simultaneously by the President and by the Prime Minister. I believe they have received pretty universal approval throughout the United States and Canada. It is our hope that in our negotiations with the government of the United States we shall have the actual exercise of the rights provided for by these leases brought into line with the principles which have been set out in this joint declaration. We hope that will be so because of the attitude of the two governments of Canada and the United States. Their practice has not been to deal with each other at arm's length, but rather to try to make arrangements which would afford the most satisfactory method and degree of co-operation between the peoples of the two countries.

We hope it will be possible to have the lessees, who by contract have their rights for ninety-nine years in these leases, agree that they should exercise their rights in the manner which the two governments of Canada and the United States agreed would be the proper way to ensure co-operation between them as set out in their joint declaration of February 12, 1947. The hon. member for Broadview may be assured that I hope to be able to discuss with the President of the United States some aspects of these leases on the occasion of the visit I am to have the honour of paying him on this very week end.

The hon. member for Winnipeg North Centre (Mr. Knowles) feels that the entry of Newfoundland into confederation and the presence of six senators and seven members of parliament in addition to the present membership of our houses of parliament is going to place a serious burden upon the restricted office space available in this central block. I think everyone who occupies any portion of the central block will be in full agreement with him as to the facts.

His suggestion that space should be made in the east block for the hon. members of the other house would seem to indicate that he does not realize to what extent there is already congestion in the space available in the east block for the services located there. I was Secretary of State for External Affairs for well over a year before I could get space in the east block. During that period I had to use as my office the one that was available for me during the session in the centre block.

Mr. Cruickshank: Put them in the printing bureau.

Mr. St. Laurent: The suggestion is made that they might be put in the printing bureau, but those who have visited the printing bureau know that there is such congestion there that a large part of the work which should be done by the king's printer has to be let out by private contract. Hon. members are aware of the serious difficulties which arise in providing additional buildings for government services in this capital district. There are urgently required in the capital district more buildings for the housing of government services.

Up to the present time it has been felt that it would be unfair to take any building materials or manpower which could be used for the provision of houses and devote them to the construction of government buildings. But there has been some easing in the supply situation. Hon. members are aware that for the last week or so there has been quite a controversy here in Ottawa as to where the additional buildings are going to be located.

The matter was submitted to the federal district commission and to the planning commission. They were told that the three services that require new accommodation were the Department of Veterans Affairs, the Department of Trade and Commerce and the printing bureau. They looked over the field and found two sites in Ottawa and one in Hull. One site in Ottawa was opposite the supreme court building on Wellington street and it was decided that that should be used for a building for the Department of Veterans Affairs. They recommended that the other site in Ottawa west should be devoted to the building for the Department of Trade and Commerce and that the printing bureau, which requires a large site—I am told it will have a frontage of seven hundred feet and a depth of three hundred and fifty feet—should be located in the city of Hull.

Mr. Knowles: Let the senators go to Hull.

Mr. St. Laurent: The provision of additional accommodation for government services is necessary in order to relieve congestion throughout the whole service. If accommodation is made available for the Department of Veterans Affairs and the Department of Trade and Commerce it will relieve congestion in the space available for the houses of parliament. The project I hear discussed most frequently for the housing of hon. gentlemen of the other place is the east block. The west block is the one I hear discussed as being the proper location for additional offices for members of parliament. I feel it is urgent that more space be provided for hon. members. This is something which is receiving active consideration, not only out of concern for the comfort of others but

out of concern for the comfort of each one of us who is affected by the congestion which now exists. Perhaps hon. members do not realize that the Minister of Trade and Commerce (Mr. Howe) is still located in one of the temporary buildings where he has been since the beginning of the war.

There is a necessity that something should be done. It is recognized that the redistribution which we have provided for and the augmented number of hon. members occasioned by union with Newfoundland will increase the urgency for additional space.

I have attempted to deal with the matters which relate to the principle of this bill. My own view is that in accepting the principle of the bill the house does not go beyond asserting that it is desirable that there be union of Canada and Newfoundland on terms advantageous to the people of both sections. When the bill is in committee it will be the responsibility of hon. members to look at the terms set out in the schedule annexed to the bill and determine whether those terms will be of mutual advantage to the people of Canada and to the people of Newfoundland in their desire to be united with the people of Canada.

Motion agreed to, on division, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—*Agreement approved.*

Mr. St. Laurent: As hon. members will see, there is only one section to this bill, which asserts that the terms set out in the agreement are approved. I think probably it would be more satisfactory to hon. members if the terms were first read so that hon. members would know what is implied in approving or refusing to approve these terms. I would suggest that we suspend consideration of section 1 of the bill and immediately give consideration to the terms of union.

Mr. Knowles: Clause by clause?

Mr. St. Laurent: Yes.

The Chairman: Then clause 1 of the bill stands, and the preamble to the schedule will also stand until we have considered the sections of the schedule. Is it the wish of the committee that we consider the schedule under headings? For example, the first heading is "Union" and includes sections 1 and 2 of the schedule.

Mr. Diefenbaker: I was just wondering whether it would not be better to take the preamble first, for the reason that certain questions arise in connection with the preamble which might be cleared away at this time.

The Chairman: Standing order 76 reads:

In proceeding in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

Mr. St. Laurent: I think the suggestion of the hon. member for Lake Centre is that we consider the preamble of the schedule, not the preamble of the bill. I may be mistaken, but I have always taken it that standing order 76 referred to the preamble of a bill. Here the preamble of the schedule is part of a document which, coming to us in the form it does, has to be taken or rejected as it is, because it is an agreement made with another party which is submitted for approval. It can be approved or disapproved; parliament can say it will not approve this one but that it would be perhaps disposed to approve one that contained something else, but in that event the bill would be defeated and this agreement would not be approved. It seems to me there is some value in the suggestion of the hon. member for Lake Centre, because I think the facts alleged in the preamble help us to understand the terms of the agreement. Even if it were necessary to have unanimous consent to do so, I would suggest that such unanimous consent might be given and that we take up the preamble of the schedule before attempting to deal with the individual terms.

The Chairman: Then it is agreed that the preamble to the schedule be considered now.

Section stands.

On the preamble (to the schedule).

Mr. Diefenbaker: Mr. Chairman, the preamble generally deals with the discussions that took place with members of the national convention of Newfoundland, and also the submissions made and the arrangements entered into at the discussions which took place between the governments of the United Kingdom and Canada and the representatives of Newfoundland. Yesterday my leader made clear that we in this house had but one matter to determine, and that was the question of whether or not we favoured consummation of the dream of confederation by the inclusion of Newfoundland.

That, of course, is the legal and parliamentary position. But in addition to the legal position, as I see it there is also a moral responsibility resting upon this parliament to remove or alleviate any causes of discontent on the part of the very large minority who voted in the negative during the two referendums. The essence of democracy is a recognition of the need to preserve the rights

of minorities. Dictatorship denies that minorities have rights and, as far as minorities are concerned, those rights are determined by the simple process of coercion.

On June 19 of last year I asked the right hon. Prime Minister a number of questions in regard to the proceedings that led up to the question of confederation between Newfoundland and Canada. At page 5545 of *Hansard* for last year the right hon. gentleman used these words:

> The British North America Act contemplated that there might be union between Canada and Newfoundland on a joint address of the houses of parliament of Canada and the legislature of Newfoundland. That principle could be resorted to; but it would require, in order to be resorted to, the restoration of self-government in Newfoundland, and then joint addresses under the terms of section 146 of the British North America Act. On those joint addresses, union could be consummated by order of His Majesty in council without legislation in the parliament at Westminster or legislation in the parliament of Canada. But if that method is not resorted to, the matter is not expressly provided for and would have to be accomplished by new legislation that could, I suppose, be adopted only by the parliament at Westminster if there were joint addresses from the houses of the Canadian parliament asking that it be done.

Then he goes on to set out in detail the usual processes. Once more I should like to point out that we in this parliament recognize with pride the fact that the hopes of the fathers of confederation are about to be consummated. The acquisition of Newfoundland will take its place, in strategic importance, with the acquisition by the United States of Alaska and Louisiana. It is actually the completion of that unity which caused Mr. Galt, as he then was, to say at the time of confederation:

> Half a continent is ours if we have but the courage to take up the burden.

In taking up that burden, in welcoming those who heretofore have belonged to a sister dominion, above everything else we want to be sure that these new citizens who join us will do so in a spirit of amity and unity, thereby making their contribution to the strength, power and destiny of this confederation. For that reason I bring up these questions, because as I read the British North America Act the procedure followed here was never contemplated. Section 146 contemplated only one procedure, much different from that now being adopted.

With a view to ameliorating the causes of division and bringing into this confederation the people of Newfoundland in that spirit of dedication to our common destiny, I ask certain questions by way of explanation. I believe that the answers to these questions, properly given by the Prime Minister of this country, will go far to remove the causes of the discontent which now exists in Newfoundland, which cannot be denied and cannot be answered by a refusal to face the facts.

I ask, first, in view of the fact that under the Newfoundland Act, 1933, and the commission report at that time, it was contemplated that responsible government would be restored, why is it that the plan of confederation as provided for under section 146 of the British North America Act has not, in fact, been followed in this case? Secondly, what has the Canadian government done to remove the reasons for the objections that have been made by that very large minority that showed its strength in the vote on the two references? Thirdly, have any representations been received in opposition to the course followed by the Canadian government from groups of individuals in Newfoundland claiming to represent the seventy odd thousand who voted for the restoration of responsible government? If such representations have been made, would the Prime Minister table them and also table the replies given in reference thereto? Fourthly, and I think it is very important, the leader of the opposition has made clear that our responsibility as Canadians is to vote on this legislation and in no way to infringe upon the sovereignty of another dominion.

Recognizing that, I should like to ask this question. In view of the fact that Newfoundlanders will now become Canadians, and the desire of each of us must be to remove any possibility of disunity by reason of the fact that the government has not followed the scheme set forth in the British North America Act to cover possible union in the future, has this government made any representations to the British government regarding the question whether or not it would be preferable that responsible government be restored in Newfoundland prior to the matter of confederation being discussed in this house?

I think an answer to those questions would go a long way towards arousing the people of Newfoundland to a realization that we in Canada, in welcoming them, want them to realize that in no action we take are we endeavouring to control their destiny without a recognition of their rights.

Mr. Church: In passing Bill No. 11 you are passing on to the people of Newfoundland all the criminal law, the civil law, the law of patents, the law of trade-marks and many other matters. I do not wish to take any further part in the debate on the control bill, Bill No. 12, to amend the statute law to implement the terms of union of Newfoundland with Canada.

Last night I read a statement by the attorney general of England, Sir Hartley Shawcross, in an address at Lincoln's Inn, in

which he complained about the costs of law. He said that it was too complicated, the procedure too involved for the ordinary litigant to be able to afford court costs. It is this type of thing we are passing on to the people of Newfoundland under Bill 11. Nothing is being done to rectify these conditions in Canada. Reference has been made by Sir Hartley to the shocking state of statute law in England. The criminal code even in Canada has not been revised by the House of Commons since its inception in 1905.

In a radio address reported in the *Daily Telegraph,* Mr. Churchill spoke of the need for legal reform. In the same article it was reported that he said the same thing in a radio address on March 2 last. Mr. Churchill was complaining about the very same thing, the cost of litigation. There were 25,000 new rules, orders in council and so on, and no one can tell about their validity until the court of last resort has been reached. He said that only about five of these orders in council had been considered by the Supreme Court of Canada.

Last night, I asked about the difference between that kind of rule and the lucidity of the divine laws. I am reading something from the twelfth chapter of St. Luke in which lawyers were reproved. I wish to quote the following verses:

> 44. Woe unto you, scribes and Pharisees, hypocrites! for ye are as graves which appear not, and the men that walk over them are not aware of them.
>
> 45. Then answered one of the lawyers, and said unto him, Master, thus saying thou reproachest us also.
>
> 46. And he said, Woe unto you also, ye lawyers! for ye lade men with burdens grievous to be borne, and ye yourselves touch not the burdens with one of your fingers.
>
> 52. Woe unto you, lawyers! for ye have taken away the key of knowledge: ye entered not in yourselves, and them that were entering in ye hindered.

So, you see, we have a divine rule relating to lawyers who are needed in the law courts.

In 1491 B.C. the ten commandments were laid down by Moses from Mount Sinai, yet their lucidity is amazing. Everybody understands them. Now, there is a conflict between divine law and constitutional law. Any minister or member of the government knows that he must follow constitutional practice. A government which does otherwise is proceeding unconstitutionally, as a great lawyer in England, P. St. George Kirke, said. It is difficult for us, men of all occupations, to decide what should be done about the criminal law, civil law and matters of the kind.

Last night I referred to a town in England, called Stevenage, which had been planned by the Labour government. They tore down the old buildings and started something else. An appeal was taken to the law courts. A judge of the lower courts expressed the opinion that nothing like it had been done since the time of Ahab, who was a king of Samaria, when he took Naboth's vineyard. But Ahab gave Naboth compensation for it. Of all the judges in England, there was only one county court judge who questioned these rules and regulations of statute law. He said that this statute law conflicted with the eighth, ninth and tenth commandments which are as follows:

> Thou shalt not steal.
> Thou shalt not bear false witness—
> Thou shalt not covet—

The county court judge referred to that, and he did something which was very fine indeed. This shows the need for law reform in this country as well.

Another matter came up which I should like to mention, and with that I shall conclude. This matter came up in connection with the nationalization of a very important industry in Great Britain. A billion dollars of paper money was issued. It is turned out by printing presses and adds nothing to the national wealth of the country. After depreciating a person's investment, the government compels him to take that particular type of money. What chance have the people in the law courts when the judges over there do not act?

The other matter about which I wanted to speak was with regard to patents and inventions. The law regarding patents and inventions mentions a seal. The law is set out in the 15th chapter of Genesis, verses 5 to 18. God made a covenant with Abraham. That was the authorship of that seal. What did the inventors get? They have been interfered with; something has been written into the law which should not have been put in. The patentees have been interfered with. The patentee was to get all the rights and privileges under the patent. Every patent had been granted by the king and the crown to the patentee. It is issued by the crown under the royal seal which goes with this patent or trade-mark, the patentee to have and enjoy the whole profit and advantage from time to time accruing by reason of the said invention during the time of sixteen years. What is being done? Inventors are being driven out of Great Britain, and here in Canada they are being driven to the United States by the same factors, by the control system, income tax and surtax up to a large sum of money. The surtax is 2½ per cent. The result is that inventors are leaving this country and are going to a free country, namely the United States. The inventors are also leaving Britain with the same object in view. I commend the changes made in this law. In conclusion, I can only say that these instances I have given are violations of the

eighth, ninth and tenth commandments: thou shalt not steal; thou shalt not bear false witness; thou shalt not covet. That is what the government is doing with regard to patents and trade-marks under the law as it is. The lawyers know something about that.

I do not wish to criticize the high court judges. Far from it. I can tell hon. members, however, that we have no real law reform in this country. For many years past I have been trying to get some. It is a forgotten subject here. We should have a committee to go over these legal bills and see that we get some reform. With the complexity of the law, with the maelstrom of red tape and the cobwebs in it, I can tell hon. members that it is a relic of other days. In England, as a result of the summary offenders act, half the prisons have been closed. How? The people are given time to pay. Yet we have no law reform in Canada of the criminal law which we are to pass on to Newfoundland according to this bill. In Toronto we built the Toronto jail, the jail farm on Yonge street for men and the jail farm for women three miles from there at Concord. The government here, through one of the departments, have taken those two new jail farms. I do not know why that was done. I can tell hon. members that 400 people have been crowded into the Toronto jail. It was built after 1867 for use only for remands, and is fit for no more than 200 persons. We have been trying to get something done, and we did get something done by establishing these two jail farms. If that is the kind of law reform that is to be passed on to Newfoundland, it is another matter. Having explained these matters, and pointed out the urgent need for law reform in this country, I suggest that we should have a legal committee to go over every one of these laws every year in order to see that we get some real law reform.

Mr. MacInnis: Mr. Speaker, I want to say a few words along the same lines as those spoken by the hon. member for Lake Centre (Mr. Diefenbaker), although I am not taking the same position. Indeed, I am taking the opposite one. I am speaking not in criticism of what he said but because two members from this group spoke along the same lines in the debate yesterday.

Mr. Diefenbaker: I merely asked questions.

Mr. MacInnis: Yes, I quite understand. It seems to me that we are going a little bit too far when we say that the fathers of confederation could lay down the procedure by which the dominion of Newfoundland, some eighty years later, could come into confederation. It is true that a procedure was laid down in the British North America Act, but when that procedure was laid down it could not be foreseen that the dominion of Newfoundland would not have a responsible government in 1949 when its entry into confederation was being considered. That is one of the points I wish to make. There is so much unanimity in this house on the desirability of Newfoundland joining with Canada that I think it would be a mistake to indulge in criticism that can lead nowhere; because, in my opinion, there is nothing this parliament can or could do in the matters complained of. I am not attempting to defend the government in what it has done. It does not need my defence, because it has plenty of supporters on its own side quite able to defend its actions. I do not believe it was up to this government to suggest to the government of the United Kingdom that it should restore responsible government to Newfoundland to enable it to negotiate with the government of Canada. I am not well versed in how these things are done, but I do not believe that it would be proper for the Dominion of Canada to make proposals of that kind to the United Kingdom government. There were two referendum votes taken on this question by the people of Newfoundland. According to the system of voting followed, both votes were opposed to the reconstitution of responsible government. The first vote was on three questions: the commission form of government, responsible government and confederation. Responsible government received the largest vote. But it was stipulated that it would require to have an over-all majority. The first vote then stood at 85,000 to 69,000 against responsible government. In the next vote the situation was somewhat similar. Confederation carried by quite a reasonable majority. If an hon. member came to this house with as clear a majority as confederation received I believe he would think that he was quite justified in speaking for the electors of his constituency. There is only one logical conclusion to the criticism of how the negotiations were carried out, and I do not think any hon. member would want to accept that conclusion because, in the first place, it would delay confederation and in my opinion the results would be the same as they are now. That conclusion is to have another referendum taken by the people of Newfoundland with the exact terms of confederation before them. They should be asked whether they want confederation or not. That is the logical conclusion to the criticism made by the hon. member for Lake Centre and the two hon. members from my own party. I do not think anyone would suggest that seriously as a solution, if a solution is required, or if we want to insist that a greater

degree of democracy should be used in the circumstances. I believe that the procedure followed, namely a referendum vote of the people of Newfoundland, was a democratic one. There may be a difference of opinion in Newfoundland between those who wanted responsible government and those who wanted confederation, but I do not believe that the best way to smooth out those differences of opinion, and put an end to any bad feeling that may still exist, is to keep harping on it in this house. Let us get ahead with the terms of confederation as quickly as possible, and when we bring Newfoundland into confederation with the rest of Canada I hope that neither they nor we will ever regret it.

(Translation):

Mr. Dorion: Mr. Speaker, the bill now under consideration will undoubtedly assume considerable importance in the annals of this country. I therefore feel it only proper that, upon the entry of the new province into confederation, a small part at least of the debate in the house be carried out in French, so that our future fellow citizens may remember that Canada has two official languages.

The few comments I wish to make in connection with the preamble of this bill are as follows:

Following the statements made by the hon. member for Lake Centre (Mr. Diefenbaker), I must first agree with the view he has expressed, and maintain that, in so far as the entry of Newfoundland into confederation is concerned, we should have been governed by the stipulations not of an ordinary statute, but of that basic, fundamental law which governed the birth of Canada, the British North America Act. As we all know, section 146 of the act provides for the entry of Newfoundland into confederation. It is probably expedient to recall it.

> It shall be lawful for the queen, by and with the advice of Her Majesty's most honourable privy council, on addresses from the houses of parliament of Canada, and from the houses of the respective legislatures of the colonies or provinces of Newfoundland, Prince Edward Island, and British Columbia, to admit those colonies or provinces, or any of them, into the union, etc.

I must point out, Mr. Speaker, that this has already been done. Indeed, when British Columbia joined confederation in 1871, the process followed was that provided in the British North America Act. The preamble of the order of Her Majesty in council, dated May 16, 1871, states unequivocally:

> And whereas by addresses from the houses of the parliament of Canada, and from the legislative council of British Columbia respectively, of which addresses copies are contained in the schedule of this order annexed, Her Majesty was prayed, by and with the advice of her most honourable privy council, under the one hundred and forty-sixth section of the hereinbefore recited act, to admit British Columbia into the dominion of Canada, on the terms and conditions set forth in the said addresses.

And later when Prince Edward Island joined confederation, the British North America Act was once more complied with. The procedure followed was that which is outlined in section 146. The preamble to the order in council dated June 26, 1873, reads as follows:

> And whereas by addresses from the houses of the parliament of Canada, and from the legislative council and house of assembly of Prince Edward $sland respectively, of which addresses copies are contained in the schedule to this order annexed, Her Majesty was prayed, by and with the advice of her most honourable privy council, under the one hundred and forty-sixth section of the hereinbefore recited act, to admit Prince Edward Island into the dominion of Canada, on the terms and conditions set forth in the said addresses.

In my opinion, Mr. Speaker, the new bill before the house is a further departure from the provisions of the British North America Act and I take the liberty of drawing the attention of hon. members to that fact. When one is aware of the present government's ideas on centralization, this breach assumes a great deal of importance. Not only do the government deliberately overrule a section of the British North America Act, but they disregard explicit undertakings agreed upon since 1934 with the people of Newfoundland. In November 1933 Newfoundland's legislative assembly requested the suspension of its letters patent, and the said act was ratified by the British parliament. The act passed by the assembly of Newfoundland included the following proviso:

> Be it agreed that as soon as the island's difficulties have been resolved and the country is again self-supporting, responsible government shall be restored at the people's request.

When the British parliament ratified the act, it was decided as follows:

> Whereas we are in receipt of an address from the legislative council and the house of the said island asking that we be graciously pleased to suspend the said letters patent and to issue new ones providing for the administration of the said island until it again becomes self-supporting, on the basis of the recommendations contained in the report of the royal commission which was appointed by us on the 17th day of February, 1933 . . ."

A little later, in 1941 or thereabouts, Newfoundland's economic situation having improved considerably, the island people approached the British parliament with a view to restoring responsible government. At that time, on December 2, 1943, Mr. Emrys-Evans,

then Secretary of State for Commonwealth Affairs, expressed himself as follows:

> The arrangements made in 1933 included a pledge by His Majesty's government that as soon as the island's difficulties had been overcome and the country was again self-supporting, responsible government on request from the people of Newfoundland would be restored. Our whole policy is governed by this undertaking.

In 1945, in violation of this agreement—since it actually was an agreement between the Newfoundland legislature and the British parliament—the commonwealth relations office, through the government commission, decided to call a national convention.

Members of this convention were elected during the summer of 1946 and on February 8, 1947, the convention decided to send a delegation to Ottawa to examine the conditions under which Newfoundland might possibly enter confederation.

After the lengthy discussions with which we are familiar, proposals were submitted by Canada and there occurred at this stage a rather important development: the proposals made by Canada to the Newfoundland national convention that had been called in the summer of 1946 were implicitly rejected, since it was decided to submit to the people two questions only:

First, were the electors in favour of responsible government and second did they favour a commission of government.

This means that the national convention, having been apprized of the proposals made by Canada, had decided to ask the people of Newfoundland, by means of a referendum, if they wished to return to their pre-1933 type of administration or whether they were content to keep the system which had been in force since that date.

What happened then?

The British government, without consulting anybody in Newfoundland, without the approval of anyone there, or, at any rate without the approval of any legally constituted body, decided to put three questions to the people of Newfoundland, in spite of what had been formerly decided upon by the national convention. This is how the first referendum came about.

Now, evidently, the only legally organized body which at the time could speak on behalf of the people of Newfoundland was this national convention, and that is why, contrary to the wishes and decisions of that convention, the British government resolved to put three questions to the people of Newfoundland in the referendum of June 1948.

I submit that this decision by the British government was irregular, even illegal and unjustified. In my opinion, it would be interesting to know what interests were then at stake, what lobbying took place about which no report has reached us. Why did British interests decide to put the third question to the people of Newfoundland so that they could answer whether or not they favoured the entry of the island into confederation?

It would surely be interesting to know what must have taken place at the time, about which we have not been told anything.

And so on June 3, 1948, when the first referendum took place, there were 22,311 votes cast for the commission government, 64,066 for confederation with Canada and 69,400 for responsible government. Here I ask myself this question: On what grounds, under what statute, legislation or authority was the result of the first referendum disregarded and a second one held?

If the result of the first referendum, in which responsible government received a majority, had been complied with, conditions would have become again as they were before 1933. The government of Canada could then have dealt with the established responsible government according to the rules set forth in the British North America Act.

Why was the result of that vote disregarded? On what grounds? Under what authority? We do not know. All we know is that the second referendum took place on July 22, 1948. At that time 78,323 votes were cast for confederation with Canada and 71,334 for responsible government, a majority for confederation with Canada of 7,000 votes.

But it must be noted that only 78,323 votes favoured the entry of Newfoundland into confederation and the electoral list comprised 176,297 electors. Therefore if the first result had not been satisfactory because there had not been an absolute majority, the same principle could have applied to the second referendum, and the latter might conceivably nave been rejected, in view of the fact that the results were far from expressing the will of an absolute majority of the electors. It must also be noted how the appeal was made to the electors in favour of the entry of Newfoundland into confederation.

I have here an article written by Mr. Camille l'Heureux in *Le Droit* of November 10, 1948. I wish to quote the following paragraph:

All kinds of abuses crept into the pre-referendum campaign. Aided and abetted by members of the commission government, the advocates of confederation openly led an intensive campaign of scandal, trickery and sectarianism. The propaganda in favour of responsible government was not only delayed in post offices but in many cases it was destroyed. The responsible government league goes so far as to accuse the leaders of those who advocate confederation, of pitting Orangemen again Roman Catholics on the island. In this connection, the league quotes the rallying cry given its members by the Grand Master.

However, it happened that Canada accepted that second vote which was taken on July 22, 1948, and after such irregularities, after that infringement of the British North America Act, we are now told that things must be done quickly, that the debate must necessarily be shortened, so that Newfoundland's entry may be decided as soon as possible.

That is not satisfactory, especially since the scanty details we have been able to obtain do not permit us to size up the extent of the burden which the entry of Newfoundland into the confederation will mean for the Canadian ratepayers. I submit that we have not been given all the information which would enable us to analyse the importance of the action we are going to take, because if we are to rely on what the press has brought to our knowledge on various occasions, it would appear that Newfoundland's entry into confederation is going to be exceedingly costly for us.

Here, Mr. Chairman, there is a third point I wish to make. As the cost of Newfoundland's entry into confederation will no doubt come out of the present revenues of the Canadian government, it is clear that the government will draw from the income tax as well as from all other existing revenues, a considerable part of which belongs to the provinces, and that is why we were and still are right in claiming that the provinces should have been consulted. The province of Quebec especially should have been consulted, because of the marking of boundaries between Labrador and that province, which is a matter included in this bill. No doubt that is why the premier of Quebec used these words which I quote from a statement he made on November 8, 1947:

That is a problem of the highest importance, concerning as it does all provinces in Canada, and especially the province of Quebec. It seems to me altogether discourteous for the federal authorities to take such important action without even consulting provincial authorities, particularly those of the province of Quebec, deeply interested in this matter.

(Text):

Mr. McIvor: I enjoyed very much the intelligent presentation which was given to us yesterday to show why we should have this union, but more important than trade, more important than national defence is something else which has not yet been presented to this committee. I refer to the religious union that exists already between Canada and Newfoundland. I can give you a concrete example. The advisory board of the Salvation Army, of which I am a member, has jurisdiction over Canada, Newfoundland and Bermuda. Perhaps this is one of the indirect reasons why we are to have union at this time. I say that when the Christian church leads, all others can intelligently follow.

Mr. St. Laurent: The hon. member for Lake Centre asked certain questions. I have not all the material here but in order that the record may not appear incomplete I shall attempt to give a provisional answer. First, I should like to say that I appreciate the attitude which has been taken by hon. members in respect of this proposal. Personally I share the views expressed by the hon. member for Vancouver East, that it is not apt to be helpful, in eradicating the irritation that naturally comes from losing out in any contest by popular vote, to be constantly referring to that fact.

Rules were set for this matter. It so happens that there was a substantial minority that did not have its way and that would now like to see the thing started over again. There are some people who would like to see a more recent test determined by a vote started over again, but that is not the way democracies work.

In this case there was originally an undertaking by the government of the United Kingdom—I am not attempting to make a defence of the government of the United Kingdom, I am simply stating the facts which I think afford justification—to restore responsible government to Newfoundland on demand or on request—I do not remember exactly what the terms were—when the situation had improved.

In December, 1945, the government of the United Kingdom decided—there was no other government in Newfoundland at that time than the commission of government composed of a governor appointed by the United Kingdom, three residents of the United Kingdom, and three residents of Newfoundland—that they were not the ones to make the request for the restoration of responsible government and determined that there would be a national

convention, elected by the people of Newfoundland, to consider the form of their future government.

That convention was elected. After it had investigated the financial situation and so forth its findings were made public. Then the government of Newfoundland said: We will ask the people themselves whether they want responsible government, a continuation of the commission of government, or confederation with Canada. In view of the fact that three questions were to be submitted, they said, if there is not an absolute majority in favour of any one there will have to be a second referendum. There was a vote but there was no absolute majority in favour of any of the three questions, and a second referendum was held.

On that second occasion the people of Newfoundland, instead of saying that they wanted responsible government restored, decided against it. In the first referendum some of them had wanted responsible government restored, but they were not a majority of those who voted. In the second referendum the majority said: No, we do not want responsible government restored; we want union with Canada.

Twenty-five members of the convention voted against the submission of the proposal of the convention and I am rather surprised at the attitude taken by the hon. member for Charlevoix-Saguenay that there was no justification for putting the question to the people of Newfoundland. The national convention was merely a convention to inquire into the situation and to make recommendations; it was not even a legislative body.

In the absence of any legislative body other than the commission of government, which was not representative, and a referendum having been submitted to the people, it seems to me that the result of that referendum was a democratic expression of what the people of Newfoundland wanted.

I shall deal with the other questions at eight o'clock. I appreciate that the hon. member for Lake Centre is as desirous as any of us here to have union accomplished under such terms as will leave the least possible resentment in the minds of the new Canadians who are joining our nation.

Mr. Diefenbaker: That was the purpose of the questions.

Mr. St. Laurent: I shall endeavour to give as full answers as possible, because I think the hon. member feels that the more light we can throw on the fact the greater help will be given to dispelling resentment.

Mr. Diefenbaker: That was the purpose of the questions.

[Mr. St. Laurent.]

Mr. St. Laurent: That was as I understood them.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. St. Laurent: When the committee rose at the dinner hour I was proceeding to deal with the questions suggested by the hon. member for Lake Centre, and I believe I said I appreciated that he was putting these questions for the purpose of having the facts upon the record in the hope that it might dissolve some of the resentment felt by those who believe some other procedure to achieve confederation should have been followed.

If I understood the hon. member correctly his first question was why, in view of the terms of the Newfoundland act of 1933—which provided that on request of the people of Newfoundland, when their financial situation had been restored, they would get back responsible government—the procedure to bring about union had not been that contemplated in section 146 of the British North America Act. That section, as hon. members will recall, provided that her majesty, on the advice of her most honourable privy council, might on the joint addresses of the houses of the Canadian parliament and the houses of the legislature of Newfoundland or Prince Edward Island, admit those colonies into union.

I think I have dealt with the first part. We did not consider it would be proper for us to express any views in respect to the manner in which the government of the United Kingdom and the government of Newfoundland should carry out the provisions that had been made in 1933. We constantly maintained the position that we felt the Canadian people would be glad to welcome the entry of Newfoundland into confederation, but that we should not do anything to influence her decision or course of action in the matter. To be quite frank, I may say we felt that this would probably be the most helpful attitude for us to maintain in order to bring about a desire to join Canada. We felt that the people of Newfoundland, naturally proud of their history and the control over their own affairs which they had up to 1933, would resent any action by the Canadian government or the Canadian people which might be construed as expressing an opinion as to what they should do.

The hon. member for Lake Centre will remember that we had some exchanges in that regard at the end of the session of 1948. He referred to the *Hansard* report of Saturday, June 19, 1948. I will not take time to read the exchanges that took place then, but

in answering questions put by the hon. member for Lake Centre I said our position was that we felt we should not attempt to interfere with the discharge of the responsibilities of the government of the United Kingdom or the government of Newfoundland, and that we would scrupulously endeavour to avoid doing anything which might be construed as an attempt on our part to dictate to our good friends of the island.

The situation which presented itself to us was that the government of the United Kingdom had requested the election of a national convention; that this national convention had passed a resolution requesting the governor of Newfoundland to inquire whether the Canadian government would be prepared to receive a delegation and to explore with that delegation whether or not there were satisfactory terms which could govern the union of Newfoundland with Canada. The reply given was that we would welcome that delegation. The delegation came. We worked with them for over three months, and afterward submitted what we then considered would appear to be fair terms upon which the union could be consummated.

We did nothing beyond that at that time. The matter came before the national convention; and after discussing the terms a majority of the national convention voted against including in the referendum a question as to whether or not the people would wish to unite with Canada. I can give this house the assurance that we expressed no views as to whether that question should or should not be included in the ballot. The government of the United Kingdom decided that, in view of the number who had voted for its inclusion in the ballot, and in view of what we were told, that there were petitions signed by great numbers in Newfoundland asking that it should be included, they would submit the question.

During the whole of that period we were maintaining an attitude of the strictest neutrality, because personally I think many of us felt that by doing so we would favour the prospects of union to a greater degree than if we attempted to say or do anything which could be construed on the island as showing a desire to influence their decision in the matter.

The question was submitted, with the result that has been referred to already in the course of the debate. After the first referendum a statement was made by my predecessor, the Prime Minister at that time, that if on the second ballot the people of Newfoundland indicated in a clear and unmistakable way that they wished to join Canada on substantially the terms of the proposal that had been submitted, the Canadian government would co-operate with their representatives in giving final form to those terms. If I remember correctly the hon. gentleman, or some hon. gentleman on the other side, asked what would be considered a clear and unmistakable decision of the people of Newfoundland. Speaking for myself—because we had not discussed the matter in council—I said I thought it would be the usual democratic process; that if there was a majority, that majority would be apt to be considered as the expression of the views that should prevail, but that after all it was not our responsibility to count the ballots or decide the sufficiency or insufficiency of the vote. If the government of the United Kingdom and the government of Newfoundland, after counting the ballots, stated to us on their responsibility that there had been a majority for union with Canada, I said I thought it would be very difficult for us to refuse to recognize the validity of that statement; and they did state to us that there had been a clear majority expressing a desire to unite with Canada, and that the governor was appointing a delegation to come and discuss the final terms of union.

That delegation came. The situation was discussed, I think, in a manner that did credit to both the Canadian and the Newfoundland delegations. I believe the view that prevailed was that it was not a time to try to get this or that particular advantage but that it was in the interests of all, if there was to be union, to have such terms determined as could be accepted by the majority of the reasonably-minded people in Canada and Newfoundland as being fair and apt to promote the welfare of the enlarged Canadian nation.

On the day those terms were to be signed there arrived from St. John's a telegram addressed to me, which in compliance with the request made by the hon. member for Lake Centre I shall table. It is signed by Mr. Fred W. Marshall, chairman of the responsible government league. Perhaps I should read the telegram so that its contents may be available to all hon. members in the house. It was in the form of a night letter, dispatched from St. John's, Newfoundland, on December 10, and which reached us here on the morning of December 11. It is addressed to the Right Hon. Louis St. Laurent, K.C., Prime Minister of Canada; report delivery Ottawa, Ontario.

Following memorial passed unanimously at mass meeting of citizens held tonight " this vast gathering of citizens of Newfoundland meeting at St. John's in the dominion of Newfoundland the 10th day of December, 1948, places on record its strong objection and protests most emphatically against the manner in which Newfoundland is being forced into confederation with Canada.

It affirms that the only manner in which terms of confederation can be negotiated with Canada is by a duly representative legislature of Newfoundland.

It consequently objects to the appointment of any delegation of citizens to negotiate terms with Canada.

It most strongly protests against the recognition of the present delegation of citizens appointed by the governor in which the people of Newfoundland had neither choice nor voice.

It demands that instructions be given immediately by the governor or the commission of government to the said delegation to refrain from signing any terms on the ground that it has no power to do so and that, moreover, such an act of signing would prejudice the constitutional position of Newfoundland in England.

It moves that a copy of this memorial be sent immediately to the governor, the members of the commission of government and the members of the said delegation and the Prime Minister of Canada.

Fred W. Marshall, Chairman, Responsible Government League.

This document arrived on the morning of December 11, but notwithstanding its arrival the terms of union were signed at that ceremony to which I need not refer. The proceedings were broadcast at the time to the whole Canadian public.

The telegram was answered on the 14th of December in the following form:

Fred W. Marshall, Esq.,
Chairman,
Responsible Government League,
St. John's, Newfoundland.

Dear Sir,

The Prime Minister has directed me to acknowledge the receipt of the telegram which you sent to him on December 10th on behalf of the Responsible Government League, and to let you know that its contents had been duly noted.

Yours sincerely,

R. G. Robertson,
Secretary.

I will table these documents. I should add that the only other document of which I know, and I have had a fairly careful search made as well as endeavouring to keep as fully informed as possible about the proceedings, is the receipt on October 8, 1948, of a communication from W. L. Collins, Secretary of the Responsible Government League. It reads as follows:

Sir,

Herewith enclosed you will find a copy of the resolution passed unanimously at a giant rally held in St. John's, Newfoundland, on Friday, October 8.

I have the honour to be, sir,

Your obedient servant,

W. L. Collins.

Forwarded with this letter was a carbon copy of something which reads as follows:

Whereas a delegation, privately selected by the chairman of the commission of government, is at present at Ottawa under instructions to prepare the entry of this country into the Canadian Federation;

And whereas since the said delegation was neither chosen nor elected by the people of Newfoundland, it cannot, in justice, claim the right to represent our people or to negotiate on their behalf any final terms of confederation;

And whereas it has been officially stated by the commission of government that the people of Newfoundland will not be permitted to express, by way of plebiscite, their approval or otherwise of the final terms on which Canada proposes to absorb this country;

Be it therefore resolved that this mass meeting of Newfoundlanders do most strongly condemn the unjust and improper methods which are, and have been, used to deprive us of our inalienable democratic rights and of our existence as an independent people;

And be it further resolved that, on behalf of approximately half the electorate of Newfoundland who share our beliefs, we do most strongly deny to the members of the said delegation any right whatever to act on our behalf, or in our name to give their consent to any terms which would finally commit Newfoundland to confederation without the prior approval of our people being first obtained to such terms, by way of plebiscite;

And be it still further resolved that copies of this resolution be sent to the British, the Canadian and the Newfoundland governments, to the members of the Ottawa delegation and to the press.

One other document which I have not before me at this moment was addressed, not to the Canadian government, but to the meeting of prime ministers in London. I will certainly have it found. During the dinner hour efforts were made to have it located, but since it was after six o'clock those efforts were not successful. It was not a document addressed to the government of Canada; it was addressed to those attending the meeting of prime ministers in London.

The answer to that communication was sent immediately after my return to Ottawa on November 9, 1948. It reads as follows:

W. L. Collins, Esq.,
Secretary,
Responsible Government League.

Dear Sir:

On his return from London, Mr. St. Laurent asked me to acknowledge receipt of your letter addressed to him there under date of the 16th of October, enclosing a memorandum to the commonwealth prime ministers then assembled in conference in London, and to inform you that the matter of the union of Newfoundland with Canada was not dealt with in the conference.

Yours very truly,

Guy Sylvestre,
Private Secretary.

With respect to these representations of the organization which calls itself the responsible government league in Newfoundland, I can only repeat what I said in the house at the end of the last session, at page 5546 of *Hansard*:

The department would, of course, receive courteously and file anything that would come from any group in Newfoundland, but the department would not act on anything that does not come from those who have the constitutional responsibility for the government of Newfoundland at the present time.

This referendum had been held and the majority of those voting expressed the opinion they did not want the restoration of responsible government but did want union with Canada substantially on the terms of the proposal. It was our feeling that had we, at

that time, done anything to rebuff or repulse the advances being made by the people of Newfoundland we would have seriously offended a large number of them, and possibly offended them to the point where the matter of union with Canada would have been shelved again. We felt we must be extremely careful to do nothing which would offend the susceptibilities of those who we hoped, as the fathers of confederation had hoped more than eighty years ago, would ultimately become our fellow citizens in this Canadian nation.

The hon. member for Lake Centre (Mr. Diefenbaker) has asked what the Canadian government has done to remove the objections. For the reasons I have stated, the Canadian government did nothing to remove those objections, leaving it to the people of Newfoundland to make their decision and deal with those who favoured and those who did not favour union with Canada.

The third question was, Have any representations in opposition been received by the Canadian government. I have answered that question, and as soon as the staff find it for me I will table the further document which was addressed to the prime ministers in conference at the London meeting.

The fourth question was, Has this government made any representations to the United Kingdom government as to the desirability of restoring responsible government. To that question I must answer that we did not. We felt that it was not our province to do so and that, in so far as the Canadian government was concerned, it should leave entirely to the government of the United Kingdom and the government of Newfoundland the taking of such steps on their side as they might see fit. We felt that the Canadian government would have its responsibilities to the Canadian parliament in the attitude it was taking for Canada in these issues, and that it should not assume any further or greater responsibility than that.

I hope that this statement of fact will satisfy most people that we endeavoured to maintain a correct attitude in the course of these negotiations. As I have seen in newspaper articles the statement that this suggestion of union was the result of a deep-laid conspiracy which had arisen out of the meeting of the Quebec conference in 1943, there is one assertion I wish to make. I do not think I need to do more than mention the date. Hon. members know what it was that brought together in Quebec, in 1943, Mr. Winston Churchill and Mr. Franklin D. Roosevelt, and I do not need to deny that statement. But for the record I deny that any question whatsoever of the entry of Newfoundland into confederation or of the union of Newfoundland with Canada was discussed at the Quebec conference of 1943. At that time the leaders of those democratic nations were endeavouring to devise ways and means by which to bring to an end the horrible war which was threatening the very existence of us all. That was the matter that was discussed at the Quebec conference of 1943.

Moreover, I emphatically deny that there was at any time any attempt by the Canadian government, otherwise than by maintaining a correct attitude and by maintaining the attitude that the whole of the people have maintained, to induce our Newfoundland friends to become associated with us. We felt then, as I still feel today, that the most effective way we could act to bring about, as early as possible, a consummation of this dream of 1867, was to behave as honourable, free men in a prosperous community, acting in a correct manner in the administration of their affairs. We felt that was the thing that would be most apt to make an impression upon the people of Newfoundland. That attitude was adopted and maintained with the most scrupulous exactitude. On the other hand, we felt that to do anything that might be construed as a rebuff to or a repulse of any advances that were being made would be offensive to that population; and we refrained from doing anything of that kind. I hope the people of Newfoundland and the people of Canada will find in the end that this union, on the terms that have been proposed, will work out to the mutual advantage of all those who will be citizens of greater Canada, and that it will prove to be a step forward in the progress of that people, which already occupies an important position in the family of nations.

Mr. Raymond (Beauharnois-Laprairie): Mr. Speaker, before I proceed with the observations I intend to offer to the house on this subject I should like to ask the Prime Minister a question. I should like to know whether the Statute of Westminster applies to Newfoundland.

Mr. St. Laurent: I should not like to be too positive about that. We are told by the Newfoundland delegation that it did not apply to Newfoundland inasmuch as it provided that it would come into force in any one of the dominions upon adoption by the parliament of that dominion, and the parliament or the then legislature of Newfoundland had not adopted it. But the terms of union provide that, if union is consummated, it will thereafter apply to the province of Newfoundland in the same way as it applies to the other provinces of Canada.

Newfoundland

(Translation):

Mr. Raymond (Beauharnois-Laprairie): Mr. Chairman, the question of a union between Canada and Newfoundland—the latter coming into confederation as a tenth province—gives rise to a certain number of problems which may be classified under the following headings: constitutional, financial and economic, political, both from the national and international points of view, and all that follows therefrom.

We are therefore about to commit ourselves to a most important undertaking, one that carries with it most serious consequences for the future of this country. For the time being, I will restrict my remarks to the constitutional problems.

The Prime Minister (Mr. St. Laurent) gave, as his authority for the procedure adopted, section 146 of the British North America Act. He does not believe it necessary to obtain the approval of the provinces, being of the opinion that, in cases like this, the members of this house represent the particular provinces from which they come.

Had the act of 1867 not provided for the annexation of Newfoundland, I would maintain that this procedure is altogether unconstitutional since I do not share the opinion expressed by the Prime Minister (Mr. St. Laurent) to the effect that our constitution is merely a law that may be amended or changed according to the fancy of a majority of this house, without the consent of the provinces, the contracting parties to the act.

On the contrary, it is not an act in the ordinary sense of the word; it is, in the words of an eminent member of the Montreal bar and a former bâtonnier, "the outcome of an understanding, of an agreement, of a contract. It is a pact agreed to between the provinces; more than that, it is an agreement between two totally different races and creeds."

The statutes passed by the imperial parliament only served to enact this contract into a law; they ratified it. Proof thereof is found in sections 91, 92, 93 and 133 which are a recognition of the agreement, of the contract entered into, without which recognition Quebec never would have agreed to it. I will never allow that, after having secured our agreement to a contract, the power given by a parliamentary majority be used to amend this contract. That would be a denial of justice.

This truth was recognized by the judicial committee of the Privy Council, in the matter of *The regulation and control of Aeronautics in Canada* (1932 A.C.). Here is what Lord Sankey had to say:

(Text):

Inasmuch as the act embodies a compromise under which the original provinces agreed to federate, it is important to keep in mind that the preservation of the rights of minorities was a condition on which such minorities entered into the confederation, and the foundation upon which the whole structure was subsequently erected. The process of interpretation, as the years go on, ought not to be allowed to dim or to whittle down the provisions of the original contract upon which the federation was founded, nor is it legitimate that any judicial construction of the provisions of sections 91 and 92 should impose a new and different contract upon the federating bodies.

(Translation):

It will be noted that Lord Sankey insists on the word "contract." Now, I agree that section 146 of the British North America Act, to which the four contracting provinces had agreed, grants the power to proceed with the union of Newfoundland, but it does not follow that in the exercise of that power, the constitution could be transgressed in other respects. According to section 146, a very definite method must be followed and a majority of this house has no right to change it without the consent of the provinces which were parties to the act of 1867. Section 146 of the constitution reads as follows:

(Text):

It shall be lawful for the Queen, by and with the advice of Her Majesty's most honourable privy council, on addresses from the houses of the parliament of Canada, and from the houses of the respective legislatures of the colonies or provinces of Newfoundland, Prince Edward Island, and British Columbia, to admit those colonies or provinces, or any of them, into the union . . .

(Translation):

To invoke that section of the constitution, all the conditions mentioned would have to be fulfilled, to wit: addresses from the parliaments of Canada and Newfoundland. This implies the existence of a legislature in Newfoundland, but such a legislature does not exist. The island is governed by a commission appointed by London in 1934. There can therefore be no address from the Newfoundland legislature before it has been restored. One of the main factors to carry out union is missing.

The procedure followed is counter to the constitution. We have not negotiated with the non-existing Newfoundland legislature; we have dealt with the creatures of the imperial commission which had only administrative powers until a responsible government was restored.

The contract agreed to on December 11 last was not between two parties authorized to make such a contract; one of the parties was unauthorized. The adoption of this measure would be not only a breach of the constitution but it would make us share in the breaking of a solemn pledge of Great Britain to Newfoundland, and in a most

arbitrary action taken by the London government commission.

Reference is made to the referendum of July 22 last which gave a bare majority in favour of union. Concerning this referendum, I shall merely quote the views of Monsignor J. M. O'Neill, Bishop of Harbour Grace, and add a few personal remarks:

(Text):

I do not mean to insinuate that the confederate leaders are communists. Perhaps they are not. But I do say that they used communistic tactics to obtain the small majority they secured in the second referendum. By pitting the poor against the rich, the outports against St. John's, the protestants against the catholics, they succeeded in accomplishing the communistic aim of divide and conquer. Divide they did, perhaps for all time.

(Translation):

That gives us an inkling of the means used to secure a majority. In addition to that, reference was made to the trying conditions of 1933, when the people who were on relief were getting six cents a day. Then there was the lure of family allowances, and old age pensions, considerably higher in Canada than in Newfoundland. I believe that in Newfoundland the old age pension does not exceed $72 per person and $120 per couple, while here it is at least $360 per person. The members of the imperial commission participated in the campaign in favour of the union. No stone was left unturned to reverse the wish already expressed by the Newfoundland people in favour of responsible government.

I have said that in approving this agreement we would be sharing in the violation of a pact between Newfoundland and Great Britain. As a matter of fact, when, as a result of financial difficulties and after an inquiry by a royal commission, the Newfoundland legislature sent to London a request for the temporary suspension of the constitution, the statutes show that it was agreed as follows:

(Text):

The existing form of government would be suspended until such time as the island may become self-supporting again.

It would be understood that, as soon as the island's difficulties are overcome and the country is again self-supporting, responsible government, on request from the people of Newfoundland, would be restored.

(Translation):

These clauses were incorporated in "The Newfoundland Act 1933".

Later on, in 1943, Mr. Emrys-Evans, Under-Secretary of State for Dominion Affairs, commenting on this act in the British House of Commons, expressed himself as follows:

(Text):

I am quoting from page 599 of the House of Commons debates of England:

The arrangements made in 1933 included a pledge by His Majesty's government that as soon as the island's difficulties had been overcome and the country was again self-supporting, responsible government, on request from the people of Newfoundland, would be restored.

Our whole policy is governed by this undertaking.

(Translation):

In 1946 the government commission decreed that a national convention, consisting of 45 members elected by the people, be appointed to inquire into the state of the country and recommend various methods of government to a nation-wide people's referendum rather than rehabilitation of the promised responsible government.

I quote the following excerpts from the said act:

(Text):

Acts of the honourable commission of government of Newfoundland of 1946.

The National Convention Act states:

Whereas it has been decided that provision should be made for enabling the people of Newfoundland to examine the future of the island and express their considered views as to the suitable forms of government for the island, having regard to the financial and economic conditions prevailing therein, and that this provision could most appropriately be the holding of an elected national convention of Newfoundlanders;

And whereas it has been decided that the said convention should have the duty and function hereinafter in this act set forth;

And whereas it is necessary to provide for the constitution of the said convention and the election of representatives thereto and the regulation of their proceedings;

It shall be the duty and function of the convention to consider and discuss among themselves as elected representatives of the people of Newfoundland the changes that have taken place in the financial and economic situation of the island since 1934, and, bearing in mind the extent to which the high revenues of recent years have been due to wartime conditions, to examine the position of the country and to make recommendations to His Majesty's government in the United Kingdom as to possible forms of future government to be put before the people at a national referendum.

(Translation):

Having acquainted itself with the terms of union submitted by Ottawa, the national convention, appointed in 1946, suggested to the British parliament two forms of government between which the people would be asked to choose: firstly, maintenance of the present status and, secondly, restoration of responsible government. It also defeated, by 29 votes to 16, a motion recommending a third form of government, namely, union with Canada.

Notwithstanding the decision of the people's elected assembly, the British government ruled to include union with Canada on the ballot forms, even though this had been turned down by a majority of almost 2 to 1. In the referendum of June 3, 1948, the majority voted for responsible government. This was the second time, so to speak, that the people

and their representatives expressed themselves in favour of or against union between Newfoundland and Canada. The government commission, however, never admitting defeat, arranged for a second referendum which gave a slight edge to those favouring confederation after the struggle I have already summarized. The governor then appointed a delegation to negotiate union with Canada. This delegation had no legal status to enter into such an agreement; such a step was autocratic and totalitarian.

May I remind the house that in a letter dated October 29, 1947, the then prime minister expressed himself as follows:

If the people of Newfoundland stated clearly, in a manner excluding the possibility of any doubt, their desire that Newfoundland become a province of Canada, on the basis of the proposed arrangements, the Canadian government, subject to the approval of parliament, would be prepared, insofar as it was concerned, to take whatever constitutional steps were required to achieve this union at the earliest possible moment.

The reply given by the national convention, by a vote of 29 to 16, on January 27, 1948, was a plain answer, more so surely than the slight majority afforded by the second referendum. Moreover, no doubts could remain after the first referendum, which favoured responsible government and excluded entry into confederation. Yet we have a very slight majority, secured by means which brought condemnation by Bishop J. M. O'Neill, dispelling any doubt in the mind of the government.

The conclusion to be drawn therefrom can be found in a letter published by Bishop J. M. O'Neill:

(Text):

It became obvious to many Newfoundlanders that the government of Canada, in collusion with the government of the United Kingdom, had long ago determined to annex Newfoundland regardless of the outcome of the referendum.

(Translation):

Mr. Speaker, we cannot be a party to a contract that violates an explicit agreement, concluded between Great Britain and Newfoundland, to re-establish responsible government. In doing so we would be party to an injustice, to an unlawful act.

(Text):

The Deputy Chairman: Shall the preamble carry?

Preamble agreed to.

The Deputy Chairman: We shall now deal with the terms of union.

Section agreed to.

Section 2 agreed to.

On section 3—*Application of the British North America Acts.*

Mr. Nicholson: Mr. Chairman, I was not satisfied with the Prime Minister's explanation regarding the application of the British North America Act. While strictly speaking this is a problem for the British government, I suggest the Prime Minister should give some indication as to how that government is going to overcome the British North America Act which, as I said last night, states very definitely in section 146—

It shall be lawful for the queen, by and with the advice of Her Majesty's most honourable privy council, on addresses from the houses of the parliament of Canada, and from the houses of the respective legislatures of the colonies or provinces of Newfoundland, Prince Edward Island—

and so on. Would the Prime Minister indicate what is going to be done to make it legal for this union to take place, in view of the terms of the British North America Act?

Mr. St. Laurent: Mr. Chairman, I do not know that I can add to what I have said. We have acted here in full conformity with what was prescribed by the terms of the British North America Act with respect to the Canadian situation. The responsible authorities for the government of Newfoundland are, and have been since 1933, the government of the United Kingdom and the commission of government.

The hon. member wants to know how they are going to act to overcome that. They are going to act in accord with the expressed wishes of the majority of people of Newfoundland who, in referendum, stated they wished to have union with Canada and did not wish to have restored now their responsible government. How will that become effective? It will become effective by virtue of a confirmatory statute of the parliament of the United Kingdom, which is the parliament that passed the British North America Act and which, according to the terms of the agreement, is called upon to give legal effect to the terms of the agreement before they become effective.

The hon. gentleman asks why the other procedure was not resorted to. The other procedure was not resorted to, first, because it could not be resorted to without restoring responsible government, and the majority of the people had said that they did not want that done; and, secondly, because of the constitutional developments which have taken place since confederation and which are reflected in the terms of the Statute of Westminster. No longer does His Majesty exercise the royal prerogative in respect of Canadian affairs on the advice of his most honourable privy council in London; he exercises that prerogative in respect of Canadian affairs on the advice of his Canadian ministers. It would have been a retrograde step to ask that that prerogative be exercised for this purpose by His Majesty on the advice of ministers responsible to the electors of the

United Kingdom and not on the advice of ministers responsible to the elected representatives of the Canadian people.

It must not be forgotten that the British North America Act was passed in 1867, almost eighty-two years ago, and that conditions in this country, its people, its parliament and its government are not the same today as they were then. I was surprised at the attitude expressed this afternoon by the hon. member for Charlevoix-Saguenay. Most of us from my province derive perhaps some sentimental satisfaction from the developments that have taken place and that have brought about the situation whereby the prerogative of His Majesty is now exercised on the advice of ministers responsible to his Canadian subjects, but the hon. member for Charlevoix-Saguenay seems to be one of those who have lagged behind, and he is not willing to keep pace with the developments that time has brought about.

The situation is that a statute will have to be passed by the parliament of the United Kingdom before these terms of union become effective. If that statute is passed it will have the same effect as had the statute of the parliament of the United Kingdom which confirmed the agreement made, in a manner not strictly in accord with the British North America Act, for the return to the province of Saskatchewan, to the province of Alberta and to the province of Manitoba of their natural resources. The procedure being followed here is the procedure that was followed there.

It was found that the British North America Act did not provide the proper machinery for the return of those resources to the western provinces. In order to get them back to the western provinces, as my hon. friend's constituents wanted, and as the rest of the people of Canada felt was fair, an agreement was made that they would be returned. It was provided that that agreement would not come into operation until it was ratified by the parliament of Canada, by the legislature of the province, as far as that province was concerned, and then confirmed by an act of the parliament of the United Kingdom. That was necessary because it was a procedure not strictly in accord with the terms of the British North America Act.

This is the same thing. This procedure is not strictly in accord with the terms of the British North America Act. It is to do something which the British North America Act contemplated, but it is being done under conditions which have changed over the eighty-two years. The requirements of the British North America Act, in so far as they can be complied with, are being complied with, but in order to give it the effect of law —no one can dispute that something is being added—there must be a confirming statute of the parliament of the United Kingdom, the same parliament that originally passed the British North America Act.

Mr. Nicholson: I am sure the Prime Minister is making a sound legal argument, but I should like to draw the attention of the committee again to the fact that this is a very controversial question in Newfoundland. As I mentioned last night, I spent a week there in December. I have been in a great many countries throughout my short lifetime and that was the first time I have ever been in an embarrassing position as a Canadian. I was embarrassed on a great many occasions.

I want to make it clear that the people I met, who were so bitter about the question, were not necessarily opposed to becoming part of Canada, but they felt that an injustice was being done. They felt that it would have been better in the long run to have taken the additional step of granting responsible government to Newfoundland and then having the elected representatives of the people carry out the terms of the British North America Act and negotiate with the elected representatives of the Canadian people.

I have here a copy of the St. John's *Daily News* which contains reference to a letter to the London *Times* by Sir Alan Herbert, who is sponsoring the Newfoundland bill in the British house. Sir Herbert says in his letter:

> Canada may think it wise and proper to take in a new province of which at least half of the population is bitterly opposed to the arrangement. That is her affair. But the United Kingdom's good faith and honour are ours. Further if the Statute of Westminster means anything we have absolutely no right to dispose of this dominion's independence, population and possessions by a British act of parliament as our government proposed to do. Our only right and duty is to say, here is your liberty again. Do what you will with it. Many people seem to think this affair is settled. I hope they will think again. I have the Newfoundland (Liberation) bill ready and shall introduce it as soon as I have power. I hope some lover of liberty and right dealing who is successful in the private members' ballot will take it over.

Then the St. John's *Daily News* of January 13 contains a summary of the bill and the report goes on to say:

> Sir Alan said he isn't opposed to confederation of Newfoundland with Canada but he supports the convention of the Newfoundland responsible government league that the island's government should be restored by the United Kingdom and allowed to conduct its own negotiations with Canada. He said if responsible government were restored there could be a Newfoundland general election in May when the candidates favouring self-government and confederation could face each other. If the confederation party was elected the terms recently signed with Canada by certain "unelected Newfoundlanders" would be a useful basis for discussion. "Confederation (if there is all that hurry) could still be accomplished before the snows fell again." If the self-government party was elected then "Newfound-

land is quite able to take care of herself and looks like being able to do so for a long time to come."

I might remind the committee of the opinion expressed by Mr. Lodge, who was a member of the commission of government which was established in Newfoundland by the British government in 1934. When he returned to Great Britain in 1939, he said:

> After five years of commission government, Newfoundland is economically poorer than she was before its advent. Notwithstanding all the optimistic utterances of the secretary of state the commission has failed to make any definite progress towards rehabilitation.

Then in chapter 1 he said:

> At the end of 1933 two governments of His Majesty, theoretically equal in status, agreed together that one should surrender to the other not merely independent dominion status but the whole of the political freedom of its people.

And later on:

> It was the negation of political liberty and the repudiation of all those principles of democracy on which British statesmen affirm—and believe, at any rate when they are making after-dinner speeches—that the empire has been built up and will always rest.

Again it mentions:

> It is quite possible that, had the problem been posed at a point of time either a year earlier or a year later, the decision might have been quite other . . .
>
> On the other hand, before the end of 1934, Great Britain had elaborated the comforting doctrine that, however reprehensible debt repudiation may be when practised by other countries, default ceases to be really default when the defaulter is the British government.

It seems to me that the fact of having been in financial difficulties in those early thirties should not have been a situation which imposed a penalty which deprived the people of this important part of the world of their democratic rights for such a long period. Now, regardless of the terms of the British North America Act, notwithstanding that 78,000 voted in favour of union with Canada, we cannot overlook the fact that 71,000 registered their opinion that before we could proceed with the terms of union the commitment given by the British government should be fulfilled and the people should have a chance to go to the polls and elect their own government.

I cannot press this further, because I know that legally the Prime Minister is quite within his rights in saying this is not primarily a Canadian problem. But I should like to tell the members of this committee that during my lifetime we are going to have a great deal of bitterness because of the method that has been followed; not because the people of Newfoundland cannot be happy as a part of Canada, but because the government of Canada has approved the treatment that has been given to Newfoundland in depriving those people of responsible government for this long period and is completing negotiations without having given them a fair chance to have their own elected representatives carry on their negotiations for them.

Mr. Claxton: I do not want to reply at length to the hon. member for Mackenzie, because the points he raised have been covered already. But the hon. member speaks about thwarting the will of the people. I ask him whether in these circumstances it would be better for Canada, for the union and for the people of Newfoundland to thwart the will of the majority, as expressed in a plebiscite, or to thwart the will of a minority as expressed in the same way.

Mr. Nicholson: I pointed out last night that, at the first democratic opportunity the people of Newfoundland were given, a proposal was made that the question of confederation be placed on the plebiscite, and that was rejected by 29 to 16. Then the democratically elected representatives of Newfoundland decided unanimously that at that stage they would not confuse the issue by pressing the question of confederation with Canada; they would ask the people the two straightforward questions: are you in favour of continuing commission of government, or are you in favour of responsible government? In spite of that unanimous decision by the Newfoundland convention the British government disregarded this expression of opinion and the people were obliged to express themselves on the three questions. I know that in the first referendum there was not a clear majority. In the second referendum there was a small majority; but the charge is made that a large amount of money from outside Newfoundland was used to influence opinion.

Mr. Case: That is just a suspicion.

Mr. Nicholson: It is a charge that has been made.

Mr. MacNicol: By whom?

Mr. Nicholson: By those in the minority, who I think should be given a chance to prove their claim. Certainly there is a great deal of bitterness in Newfoundland because of the feeling that funds from outside that country were used in order to obtain a majority decision in favour of confederation. Whether we like it or not, Canadians are going to be held responsible for the bitterness that now exists and will continue to exist.

Section agreed to.

On section 4—*Representation in parliament.*

Mr. Fleming: A number of hon. members have expressed concern about the right of the

Newfoundlanders to representation in a democratically elected body prior to union. I am just as concerned about their representation after union comes about, presumably on March 31 next. Article 4 of the terms of union provides that the province of Newfoundland shall be entitled to be represented in the Senate by six members and in the House of Commons by seven members. Then article 6 (2) provides:

> For the first election of members to serve in the House of Commons, if held otherwise than as part of a general election, the governor general in council may cause writs to be issued and may fix the day upon which the polls shall be held, and, subject to the foregoing, the laws of Canada relating to by-elections shall apply to an election held pursuant to any writ issued under this term.

I take it that once union becomes a fact there will be no delay in the appointment of the six senators. Patents can be issued, and they can take their places in the Senate very quickly. But I am concerned about the time within which Newfoundland will obtain representation in the House of Commons, through the election to this chamber of seven representatives. In the terms of union there is no time limit within which this election is to take place. I mention that fact because there is an interesting comparison in article 16, where you find a time limit imposed by the terms of union upon the election of a legislature for the province. That article reads:

> The legislature of the province of Newfoundland shall be called together not later than four months after the date of union.

There is no similar time limit with respect to the election of the seven members of the House of Commons. Once union becomes a fact, presumably this parliament will proceed at once to enact legislation which will be as binding upon Newfoundland as upon any other part of Canada. In particular, taxation will be imposed upon Newfoundland just as upon any other part of Canada; and as this parliament proceeds to impose such taxation while there are no members from the province of Newfoundland holding seats in this house, we shall be in the position that parliament will levy taxation without representation, something I hope every one of us will view with the greatest apprehension.

I do not know whether we may expect a general election this spring. That possibility is at least contemplated in article 6(2). But unless we are to have some assurance that there will be a general election this spring I think the house is not only entitled to but should require an assurance from the government that, immediately union becomes effective, writs will be issued for the holding of elections in these seven constituencies in the province of Newfoundland, so that province may have representation in this house just as quickly as the law will permit.

Mr. Jaenicke: The question I should like to raise is somewhat different. Not long ago we amended the British North America Act, and the representation in parliament was fixed at 255. This amendment was brought about by an address to His Majesty. As I read this section, the number of members of parliament is now to be increased by seven. Therefore this will be contrary to the provisions of the British North America Act. Is it the intention of the government to present another address to His Majesty to increase the representation, or will the British legislation provide for that increase? The same thing also would apply to the number of senators.

Mr. St. Laurent: The British North America Act provides that, in the event of Newfoundland becoming a province of Canada, it would be entitled to six senators. In 1867 the act provided for four senators, but by virtue of an amendment which was made, I think in 1915, it was provided that the number would be six instead of four. This provision has existed in the British North America Act for over thirty years.

With respect to representation in the House of Commons, if and when the terms of union are ratified here and approved by the parliament of the United Kingdom, provision will automatically be made for seven members additional to the representation in the house. In the omnibus bill which was read for the first time yesterday, hon. members will find provision is made for the required amendments in the Representation Act to refer to Newfoundland and to refer in the schedule to the electoral divisions of Newfoundland.

In answer to the question of the hon. member for Eglinton (Mr. Fleming), I may say that this parliament has decided what provisions will apply to elections required to provide representation for all parts of Canada. As soon as the existence of a vacancy is brought to his notice, the Speaker is required to notify the chief electoral officer. It is a statutory provision of the Dominion Elections Act that writs for the filling of that vacancy must be issued within six months.

Mr. Jaenicke: I should like to ask the Prime Minister whether the procedure he outlined would not be a departure from the established precedent concerning the manner in which the British North America Act is amended? In my opinion it can only be done by an address to His Majesty, and the parliament of the United Kingdom would have to pass a special act in order to amend the British North America Act, or to change the representation in the House of Commons.

Mr. St. Laurent: I submit not, Mr. Chairman—any more than it was necessary to amend the British North America Act for the purpose of giving legal effect to the return of the natural resources to the western provinces. It was not done in the form provided by the British North America Act, but it was confirmed by the parliament that passed the British North America Act and made effective notwithstanding anything to the contrary. In the *Votes and Proceedings* tomorrow the hon. member will probably find the form of address which it is proposed to ask the houses of parliament to adopt. I think he will find the matter is properly taken care of in that form of address.

Mr. Fleming: I appreciate the point the Prime Minister has raised in his answer, but I am also not unmindful of the fact we wait very long sometimes for the holding of by-elections. I recall very well that two years ago, owing to inclement weather, we were told, the by-election in the riding of Halifax was delayed for seven or eight months. In view of the circumstances under which these vacancies will exist, presumably on the first day of April, would it not be very simple for the Prime Minister to assure the house that steps will be taken immediately to see that the writs are issued and everything possible is done to expedite the filling of the vacancies in the Newfoundland seats in this house.

Mr. St. Laurent: The only assurance I can give the hon. member is that we will attempt to discharge our responsibilities in that regard in such a manner as will satisfy both the house and the Canadian public.

Mr. Case: I should like to make this observation. It has been some time since the dominion of Newfoundland has had an election. Clause 4 provides for the election of seven members. I think it can be reasonably assumed that the people, given that opportunity of expressing themselves, may or may not elect all of one party on certain conditions or matters of policy.

I notice provision is made for the appointment of six members to the Senate. I do not know what practice was followed by the fathers of confederation when the upper chamber was created. Appointments were made from Ontario, from Quebec and from the other provinces which entered into the union. I may now be trying to pry into an internal secret, but it would be interesting if the government would disclose how generous they might be in seeing to it that, not only the government, but His Majesty's loyal opposition would be represented in the Senate. I can understand how these appointments are made at a later stage; but when a province is coming in and there are these appointments to be made, it would seem reasonable to think that some recognition should be given to the minority who have never had an opportunity of electing any part of the federal government of the Dominion of Canada. If I am not presuming too much, and the Prime Minister would care to make an observation, I am sure I would appreciate it very much.

Mr. St. Laurent: All I can say is that we are endeavouring to obtain the best possible information concerning what would be apt to make the people of Newfoundland feel they had chosen wisely in joining confederation. So far, the only specific recommendation we have had is that, because of the general mentality of the people of Newfoundland, it would be wise if it were possible to have two of the six senators chosen from the Anglican denomination which represents about a third of the population.

Mr. MacNicol: From what group?

Mr. St. Laurent: Two chosen from members of the Anglican denomination; two chosen from the Roman Catholic denomination and two chosen from the United church or other denominations which make up the remainder of the population.

I inquired how soon after the entry of Prince Edward Island, British Columbia, Manitoba and the setting-up of Alberta and Saskatchewan appointments had been made to the Senate. To my surprise I was informed it was about five months. I am not sure whether there was one earlier than that, but I believe the earliest were made around the five-month period, and in some cases it was much longer than five months. I was surprised to find that so long a time had been found necessary to deal with these vacancies. This point was discussed with those from whom we were seeking to be enlightened about the situation in Newfoundland. We were told it would be unwise to proceed otherwise than by threes, if we could not make six appointments. If we made the six appointments, it would be all right provided they were distributed according to religious denominations, as I have described. But if we did not do that we should make at least three appointments at a time, because it would be unsatisfactory if any one of these three groups was preferred to the other two. We were told we should be careful to avoid offending the susceptibilities of these three separate religious groups in the island.

Mr. Stephenson: I should like to ask the Prime Minister one question. He has mentioned that two members of various religious denominations might be appointed, but is it not possible for them to be all of the Liberal faith?

Mr. St. Laurent: I am told it has been so long since elections were held in Newfoundland that most of the people are unable to indicate what their political faith is. On the other hand, I have received representations which were along the lines of the statement made by the Minister of Reconstruction and Supply (Mr. Winters) about the people of Canada generally, that they are Liberals and it behooves us to go out and see that they vote that way.

Mr. Knowles: All public men over seventy will turn out to be Liberals.

Mr. Graydon: Perhaps the Prime Minister might want to ask the minister of reconstruction if he would care to revise those figures he gave the house the other day. I would ask him this question. Does the government anticipate arranging the election so that there will be representation from Newfoundland in this particular session, provided that this session goes its normal length?

Mr. Knowles: Fishing again.

Mr. St. Laurent: I hope it will not be possible to have representation during this session, because that would mean that the session would have to go on until late in the summer. The matter cannot be dealt with until after March 31, and it then requires two months at the very least in order to arrange an election. That would account for April and May. I would hope that by the time April and May were over we would be nearing the close of this session.

As to the other question, that matter has also been under consideration and discussion. We were told that it would be unfortunate if gentlemen were elected to this parliament and then a general dissolution came about as a result of which they were not able to take their seats but were forced to go back for re-election, or in other words to be elected twice before they really became members of parliament. We would have to wait and see how events developed in order to determine whether or not the holding of a by-election or by-elections would provide those who were elected with an opportunity of being introduced to the Speaker and taking their seats in the house.

Mr. Knowles: Purely for the information of the people of Newfoundland and of course not because we here are interested, the Prime Minister might solve this whole problem by telling us the date of the election.

Mr. St. Laurent: If the Prime Minister knew the date of the election, he would be glad to confide it to the hon. member for Winnipeg North Centre.

Mr. Fulton: There is one consideration which I feel should be borne in mind and given careful thought in making appointments from Newfoundland to the other house. A number of hon. members have observed—with some degree of deprecation, I take it—that there is in Newfoundland a substantial body of opinion which is opposed, we will say, not to the idea but to the method of confederation. I feel that that fact should be carefully borne in mind when appointments are being made to the Senate. That body of opinion, which we understand is substantial, is entitled to representation in the six appointments to be made to the other chamber. I think we can all take it as a fact that the purpose of the other house is, among other things, to provide representation for all groups of opinion, particularly minority groups, in the Canadian parliament. I would strongly urge that this matter be taken into consideration. Perhaps the Prime Minister would be willing to give us some assurance that that fact would be borne in mind when making those appointments.

Mr. St. Laurent: The only assurance I would care to give the hon. member is that we shall endeavour to take into consideration, in making those appointments, all factors that will tend to bring about a state of satisfaction among the people of Newfoundland.

Mr. Drew: That is not one of the things that are to be referred to the royal commission to find out what will enrich the life of the country, is it?

Mr. St. Laurent: I think there are many things which would enrich the life of the country merely by being omitted from discussion in this house.

Mr. Graydon: That is not all on the one side, either.

Mr. MacInnis: Some of this debate on appointments to the Senate has been in a jocular vein and perhaps some of it has been serious. But if it has done nothing else, it has pointed out the farcical way in which appointments to our Senate are made. Perhaps the debate also offers a good opportunity for this house to consider whether we should not change the way in which such appointments are made? I have been reading editorials in the press from one end of Canada to the other, and what is said about the other place is not particularly complimentary. I was reading recently one of the few books on politics written by a Canadian—"Democratic Government and Politics", by Professor J. A. Correy—and what he says about the Canadian Senate is not particularly complimentary either. After many years as a member of parliament, I find myself in

general agreement with him. If we are to have a second house, it should be such a house as to warrant the respect of the Canadian people, and be of some use in the government of Canada. Otherwise we should abolish it.

Mr. Rowe: It is of plenty of use to the government; but that is all the use it is.

Mr. MacNicol: Is a question about appointments to the Senate in order?

The Chairman: I do not think that discussion generally on appointments to the Senate is in order. When the house is in committee of the whole, discussion must be strictly relevant to the clause under consideration.

Mr. Hazen: I should like to support the suggestion made by the hon. member for Kamloops. The Prime Minister has just told us, perhaps jocularly, that the people of Newfoundland do not know just what their political opinions are now, because they have not had an election for so long a time. I would point out to him that at the time of confederation there was a great upheaval in political opinion, and some men who took an active interest in public affairs changed their ideas. Some went one way and some went the other. Some were in favour of confederation and some were against it. I believe it is true that, when the senators were appointed after confederation, they were chosen both from those who opposed confederation and from those who favoured it. The government of that day took care to see that the Senate was represented by both those who favoured confederation and those who opposed it. In Newfoundland today there are people who oppose this union and people who favour it. I think that the example followed at the time of confederation could well be followed today, and that it would have good results in the end.

Mr. MacNicol: I was going to say, Mr. Chairman, that if the present government remains in power—

Mr. Harris (Grey-Bruce): As it will.

Mr. MacNicol: Wait a minute. I know what I am going to say. If it remains in power for another five years, there may be only one party in the other place.

Mr. Rowe: Five years? You mean five months.

Mr. MacNicol: I am taking an arbitrary position. If the government remains in power for another five years, and appointments are continued on the present basis, all from their own party, it will mean that there may be only one party in the other place. The hon. member for Saint John-Albert brought up the matter I had in mind. Right after confederation a bill was introduced. I forget the name of the sponsor, but I have a copy of the original bill at home. There was a suggestion that the government of each province should appoint one half the senators from that province. The Prime Minister nods his head. He is familiar with that suggestion. The government in each province would name one half of the senators and the federal government would name the other half. In that way the government would avoid what is taking place now. I have forgotten how many Liberal senators and how many Conservative senators there are in the other place. They are so far apart in numbers that the other place has become only a government rubber stamp, with no possibility of the opposition affecting any controversial legislation.

Since the government will name the senators from Newfoundland, I suggest to the Prime Minister that one half be named from supporters of the official opposition and one half from government supporters.

Mr. Brooks: Everybody seems to be giving advice to the government as to whom they should appoint to the Senate. I noticed that three religious denominations were mentioned. I thought that I should mention the military forces of Newfoundland. Yesterday we heard of the splendid record of the navy, the army and the air force of Newfoundland. I remember that after the first world war vacancies in the Senate were filled from the different armed forces. If that practice was good in those days it is good now. I suggest to the Prime Minister that in making these appointments he consider making some of them from the different armed forces. The armed forces are entitled to this consideration and Newfoundland would be a good place to start. It could then be followed out in filling the large number of vacancies that we have in Canada.

Mr. St. Laurent: I thank hon. members for the advice that is being tendered tonight. I would not have risen even to express my thanks were it not that I find it necessary to differ from the opinion expressed by the hon. member for Davenport. It would be a mistake to have in the other place gentlemen feeling that they had a responsibility to a government of a Canadian province. National unity in Canada demands that all those who form part of the Canadian parliament feel that their responsibility is to the Canadian people as a whole, and that they are not the representatives of any provincial government or any municipality or other local authority. On that point I feel that I have to differ from the hon. gentleman. But I do recognize that

it is abnormal that there should be, in the event forecast by the hon. member, a Senate composed exclusively of members of one party. That is something which is giving concern not only to hon. members on the other side of the house but to others. I can assure hon. members that we have within our own party serious misgivings about the situation that is apt to occur because of the way in which the Canadian public favours those who are elected to this house.

Mr. Fulton: Your misgivings will be removed at the next general election.

Mr. MacNicol: Can the minister give the name of the sponsor to whom I referred?

Mr. St. Laurent: I do not remember his name.

Mr. MacNicol: It was shortly after confederation.

Mr. Hansell: The Prime Minister has thanked us for some little advice that he may have received from members of the opposition. I should like to put my little finger in the pie and give him some further advice. I appreciate what he has said with respect to the overbalancing of one side of the other place, but there is a way in which it can be overcome. I know that I am not voicing anything new, but from my experience here a feeling has grown upon me that we are in need of some parliamentary and electoral reform. No country remains static. We make progress. We change our ideas and we change the machinery which is used to put over those ideas.

I contend, Mr. Chairman, that the government and this entire house should give some consideration to a change in our parliamentary and electoral machinery and have the gentlemen who sit in the other place elected by common consent of the people of Canada. Personally I see no particular reason why in the other place there should be sitting two apparently separate bodies, one the counterpart of the government side of the house and the other the counterpart of the opposition side. Why cannot that body be a true example of a democratic institution? Let each member act independently and oppose or favour a measure as his experience guides him.

I know it is difficult to put this election idea over to any government which is in power. It is extremely difficult to do that because naturally they like to have the privilege of appointing various distinguished gentlemen to that other place. I am confident every one of us is aware of the fact that in Canada there is a large body of opinion which belittles our parliamentary institutions. I do not know that the hon. member for Vancouver Centre was right when he made the remark which caused so much discussion the other day, but I just wonder how much of that kind of thinking is retained in the public mind. The effectiveness or the ineffectiveness of our parliamentary institutions is the subject of some concern to us and to the people of Canada. We do know that in Canada many people hold the view that the gentlemen who sit in the other place sit there as the result of having been good party supporters in the past, and what they have received is just a juicy political plum.

Mr. Knowles: It is a pretty good old age pension.

Mr. Hansell: A lot of people think that. I am not prepared to say that it is not so.

Mr. MacNicol: You will admit it is a good plum.

The Chairman: Order.

Mr. Hansell: It is a good plum, whether they deserve it or not. I believe the time has come when members of that other place should be elected by the people of Canada.

Mr. Fraser: The Prime Minister and the hon. member for Macleod have mentioned the fact that gentlemen are called to the other place. I was wondering whether the Prime Minister was going to select some ladies for the other place. There are two there now. The women of Canada constitute over 50 per cent of the voting strength of the country. They should also be appointed to the other place.

Mr. Rowe: Many years ago the policy of the party opposite was to reform the Senate—I believe that was some thirty years ago. We were to have Senate reform.

Mr. Garson: We have now.

Mr. Rowe: The Minister of Justice has said that we have it now. It is reformed because nothing has been appointed to it for a number of years except reformers. However, the predecessor of the Prime Minister stated on one occasion, when asking about reforming the Senate, that no one was appointed to the Senate by his government except those who were committed to submit to any reforms the present party might design. Therefore I should like to ask the Prime Minister whether in the appointment of these new senators from Newfoundland he would inflict that obligation upon them which, I understand, has been inflicted upon every senator appointed by his government.

Mr. St. Laurent: I know of no infliction imposed upon any of the members in the other place, nor have I found in their reaction to notification of appointment that they felt that anything was being inflicted upon them.

Newfoundland

Mr. Knowles: May I say a further word on this matter, arising out of the section with which we are now dealing. I should like to say first of all that I do not see why our Tory friends to the right are so concerned about the lack of nominal Tories in the Senate. Most of the Liberals who go over there soon become Tories, anyway.

Mr. Mitchell: You have a few Tories yourself.

Mr. Knowles: They are not looking for places in the Senate, though.

Mr. Mitchell: Oh, I don't know about that.

Mr. Fraser: I would hate to see one offered to you.

Mr. Rowe: There will be many over there looking for them now.

Mr. Knowles: The very fact that we are dealing with this subject in the jocular manner which has characterized our discussions in the last half hour or so—

An hon. Member: Speak for yourself.

Mr. Knowles: —suggests the sense of frustration which we feel about this branch of parliamentary government, namely the other place. I think the hon. member for Macleod was hitting the nail on the head when he referred to some disillusionment on the part of people with respect to parliamentary institutions; and that part of that stems from the feeling that we are maintaining an institution which does not fill a proper and necessary place.

My question, either of the Prime Minister, or of the Minister of National Defence, both of whom were involved in these negotiations, is this: Was there any discussion with the representatives from Newfoundland about possible changes in or reforms of the Senate?

Mr. St. Laurent: To the best of my knowledge the question was not raised.

Mr. Knowles: By neither side?

Mr. St. Laurent: By neither side.

Mr. Knowles: Then I take it that the present government is not concerned with reforming the Senate?

Mr. St. Laurent: Oh, my hon. friend can take what he likes from it, but that does not flow from anything I said. I said, on the contrary, that there were in our party many members who were concerned about a situation which was apt to arise under conditions forecast by the hon. member for Davenport.

Mr. Graydon: Not forecast, no; it was a hypothetical question.

Mr. Fleming: At the risk of changing the subject, I should like to draw the attention of the committee to another provision in the group of articles with which the committee is now dealing. Article 6 (3) states:

> The chief electoral officer shall have authority to adapt the provisions of The Dominion Elections Act, 1938, to conditions existing in the province of Newfoundland so as to conduct effectually the first election of members to serve in the House of Commons.

Attention has already been directed to the fact that this election cannot take place in any event until after April 1. In view of that circumstance, what justification can there be for vesting, in an appointed official, authority to adapt legislative enactments of this parliament? That seems to me an extraordinary provision. Parliament enacts provisions, and now it is proposed that an appointed official shall be given authority to adapt those legislative provisions to meet the circumstances of Newfoundland.

I suggest there is ample time for parliament to do everything required to adapt the provisions of the elections act to the circumstances to be found in Newfoundland, and that this is a departure which parliament ought not lightly to tolerate, namely the proposal that authority be vested in an appointed official to adapt the legislative enactments of this parliament.

Mr. St. Laurent: The hon. member for Eglinton might do well to read the elections act. He would find in it provisions put there by parliament authorizing the electoral officers to adapt the provisions of the act to special circumstances of individual cases. That was put there by parliament, and has been there for a great many years. Probably it was there when the hon. member was reading the elections act in his university days.

There exist in Newfoundland special circumstances which do not exist in other Canadian provinces. There are provisions for the revision of electoral lists by officials who are called by one name—county or district court judges—in the other Canadian provinces, and these judicial functions are normally performed by an official who goes under another designation in Newfoundland. It is matters of that kind which the chief electoral officer would have to adapt as conditions arose, as he is authorized to make those adaptations under the elections act for the other parts of Canada. That is all there is to it; there is nothing more sinister than that.

Mr. Fleming: If this article contemplates vesting in the elections officer nothing more than the powers he now has under the Dominion Elections Act, is that matter not sufficiently taken care of by the bill introduced yesterday by the Minister of Justice, which would have the effect of applying the

Dominion Elections Act to Newfoundland as it applies to other parts of Canada? This article certainly suggests on the face of it much more than what I contend is in the elections act, by way of vesting powers in the chief electoral officer.

Mr. St. Laurent: An attempt was made in drafting these terms to satisfy the delegation from Newfoundland, one which in its composition comprised some very distinguished lawyers. In the group there were the law officers of the Canadian government, and the law officers the delegation from Newfoundland brought with them. They suggested it would be advisable to have this provision in there to take care of such differences as conditions might present. And the recommendation made by the law officers accompanying the Newfoundland delegation and those accompanying the Canadian delegation were thought to be unobjectionable, with the result that the clause was inserted. One of the law officers acting for the Newfoundland delegation was the dean of the law school of Dalhousie university. They considered all these matters in detail and made their recommendations. They appeared to the two delegations to be unobjectionable, and were inserted.

Mr. Timmins: My recollection is that last year when the previous prime minister was speaking to the house, and we were talking on the matter of Senate reform, he informed the house that in respect of later appointments he had made to the Senate there were certain conditions attached—that he had spoken to members to be appointed, and had suggested to them some conditions, and that he would expect them to respect any change or reform that might be made in the Senate, if any reforms or changes were to be made. I say, if there are changes or reforms to be made.

I am sure the Prime Minister is not unmindful, and has knowledge, of what those recommendations or commitments were when they were made, and I should like to have him tell the house whether that same policy is to be followed in the future in making appointments to the Senate from Newfoundland or whether the matter was given any consideration when the discussions took place.

Mr. St. Laurent: The matter was given no consideration when the discussions took place. With respect to conditions imposed upon appointees to the Senate, I must say to the hon. member that I have no knowledge of any having been imposed.

Mr. Rowe: You should have had a caucus before you took office.

Mr. St. Laurent: When my hon. friend sits in my place he may tell the house how things should be done, but in the meantime I am deciding that.

Mr. Rowe: I hope I know more of what my predecessor did than my hon. friend.

Mr. Drew: In view of the caustic nature of some of the remarks of the Prime Minister, may I say that he is not going to decide; this house is going to decide.

Mr. St. Laurent: This house has never in the past, and I hope it will never in the future, decide when, where or why party caucuses should be held.

Mr. Drew: I am not talking about party caucuses.

Mr. St. Laurent: That is the matter the hon. member was referring to.

Mr. Rowe: You may not need any more caucuses; one or two more will be about all you will need.

Mr. Green: May I ask the Prime Minister a question. On the same date that the terms were signed certain statements were given to the Newfoundland delegation some of which seemed to tie in with sections of the terms of union. Can the Prime Minister tell us whether there are to be subsequent agreements between Canada and Newfoundland with regard to some of the questions contained in the statements, or just what is to be done? For example, there is one statement having to do with elections and changes in electoral divisions. Are there to be further agreements dealing with some of these items that were raised by the Newfoundland delegation?

Mr. St. Laurent: I know of no further agreements. These statements were in respect of matters which it was felt were not proper to have put into the terms of union which would become the constitution of the new province. We were constantly being told by members of the Newfoundland delegation: Our understanding is such and so. I told them that I did not want them to understand anything that was not going to be brought before the houses of parliament when the terms of union were being confirmed, that everything that they felt had influenced their attitude should be put in the form of statements that could be given to the houses of parliament. We could then assert to the houses of parliament that all that was being undertaken in the form of constitutional obligations was in the terms of union; that in discussing the terms of union we had declared what would be the policy of this government but that that would not bind anyone but ourselves. Nevertheless we felt that it would be unfair

to the houses of parliament if we did not make known to them what declarations as to policy we had made during the course of the discussions. It was for that reason that these statements were made up.

Many more things were talked about than are referred to in these statements. We asked the Newfoundland delegation to give us an indication of all the things that they were taking as probable future happenings, and we said that we would put them in the document that we would produce before parliament. We would not ask parliament to make these part of the terms of union but parliament would know what this government intended to do so long as it was the government responsible for the direction of affairs.

I have not looked at the terms, but with respect to the electoral boundaries my recollection is that they were told that, after each decennial census, a redistribution bill was introduced and a committee set up to consider the boundaries of each constituency and to make a report to parliament. They were told that with respect to the boundaries of the Newfoundland constituencies that would come about in the regular way.

There were some members who did not want to take the responsibility for those boundaries because they said that they did not know enough about where the lines would run to want them to be permanent boundaries. They were quite satisfied that they be the boundaries for the first election and that somebody else should take the responsibility of saying what should be the boundaries of the constituencies for future elections. They were told that that responsibility would be taken, in the first instance, by the committee of the house that studied the matter and reported to parliament and, ultimately, by parliament when approving or disapproving of the recommendations made by the committee.

Mr. Green: I raised the question because some of the statements are an indication of government policies while others say that further consideration will be given to this or that subject and then agreement will be reached. In reading over the pamphlet it seemed to me that several things had been left in the air, that they have not yet been decided, and apparently are to be dealt with at a later date.

For example, there is the question of responsibility for the Northern Labrador Trading Operations, which is to be the subject of discussions between Canada and Newfoundland, or if necessary the province of Newfoundland. Then reference is made to penitentiaries and the question whether national harbours will be set up in Newfoundland.

What is the intention of the government with respect to these particular items where obviously no conclusion has been reached as yet but on which conclusion is to be reached shortly? Will there be further agreements, or just what does the government plan to do?

Mr. St. Laurent: These are matters which would be determined either by the Canadian government, under its responsibility to the Canadian parliament, or by the government of the island, under its responsibility to the legislature, according to where the jurisdiction may lie.

With respect to penitentiaries, there will have to be an agreement with the province. They were told it was unlikely, that probably it would be undesirable to establish a federal penitentiary in Newfoundland, and that it probably would also be undesirable to bring prisoners convicted by the courts of Newfoundland to the penitentiary at Dorchester because of the inconvenience to their families or friends when visiting them. It was stated that for the start there would be made an arrangement whereby the Canadian government, being responsible for the care and maintenance of those sentenced to terms of two years or more, would undertake to reimburse the government of Newfoundland for caring for these prisoners in the provincial jails.

That is something which will have to be worked out and we would hope to have it worked out in a manner that would be most satisfactory to the people of Newfoundland and to the Canadian people. There is another provision concerning certain boats that are presently owned by the government of Newfoundland.

Mr. Green: Clarenville boats?

Mr. St. Laurent: Yes, Clarenville boats. They are operated in a manner which is conducive to the development of the trade of Newfoundland. They carry relatively small cargoes of fish down to ports they can get into and that large boats carrying heavier cargoes cannot visit, and from those ports they bring back commodities that enter into the trade of Newfoundland. It is a desirable trade for the economy of Newfoundland. It might be very undesirable to attempt to have these boats operated by the Canadian National steamship lines, because then their operation would come under the collective agreements between the steamship lines and the seamen, which might make the operation of these boats so costly that instead of being profitable it would be detrimental to the economy of Newfoundland. There had not been time or opportunity to determine just what would be the most practicable way of continuing the operation of those boats in order to benefit the economy of the island. There a question arose as to whether the

government of the island could operate boats in international trade, and that was not finally determined. The outcome was, "Well, we all know that we want to have done that which will best contribute to the economy of the island, but at the present time we do not know what that will have to be. We will trust each other and work out something satisfactory in that regard."

Mr. Green: These are more or less loose ends that will have to be tied up as the information becomes available?

Mr. St. Laurent: That is so; just as there is another loose end with respect to public property, for example.

Mr. Knowles: I hesitate to raise a point of order when the Prime Minister is seeking to be helpful in connection with these matters, but would it not be better if we took up these things in relation to the proper clauses?

Mr. Green: The hon. member for Winnipeg North Centre is always very free with his advice to other hon. members as to how we should follow the rules of the house. I brought up this question because in this statement there is one paragraph which deals with elections, and I wanted to know how that was to be tied in with the sections in the terms. I submit that the right hon. Prime Minister is perfectly in order in explaining just how these statements tie in with the terms of union.

Mr. Knowles: Not at all.

Mr. Pearkes: Following the suggestion made by the hon. member for Royal, I strongly urge that, when these appointments are being made, full consideration be given to the ex-servicemen of Newfoundland. I am quite certain the denominational question should not cause any difficulty, because there will have been distinguished ex-servicemen in all three denominations mentioned by the Prime Minister.

Mr. Jaenicke: I am worried about the words "British North America Act, 1867 to 1946," in section 5. I hesitate to say very much because of the statement made a few moments ago by the Prime Minister that some eminent counsel and the law officers of the crown drafted this agreement; but supposing we have an amendment to the British North America Act subsequent to this date, dealing with the representation in the House of Commons and the Senate. Is the Prime Minister satisfied that Newfoundland, the new province, could not take the position that they would not be bound by a subsequent amendment, in view of this wording? Should it not read "1867 and amendments thereto"?

Mr. St. Laurent: This is the official description of the British North America Acts determined by the parliament of the United Kingdom. Each of the amending statutes contains a provision substantially along this line: "This act may be known as the British North America Act, 1946; and this act and the others may be described together as the British North America Acts, 1867 to 1946." The description is always of the original and all those up to the date of the one that is mentioned.

Mr. Jaenicke: I realize that; but supposing we have another amendment, say in 1950 or 1951. Would not Newfoundland then be in a position, if they do not agree with that amendment, to say, "We are not bound by it, because we are only bound by the amendments to the British North America Act up to 1946"?

Mr. St. Laurent: No. That matter was given serious consideration, and a provision was even drafted and considered by the law officers providing that the reference to any act would mean that act or any amendments made or to be made thereto. However, they came to the conclusion that it was unnecessary to have this kind of statement, that the interpretation acts of Canada, Newfoundland and the United Kingdom were sufficient in that regard.

Mr. Cruickshank: I want to ask the Prime Minister one question in regard to this. As I understand it, the new province is to have the same number of members in the other place as we are, though their population is just equal to that of one of our towns. Will they have the same number of parliamentary assistants that we have?

Sections 4, 5 and 6 agreed to.

On section 7—*Provincial constitution.*

Mr. Green: This paragraph provides that the constitution of Newfoundland is revived at the date of union and shall continue as the constitution of the province, and so on. Can the Prime Minister tell us how the constitution of Newfoundland will be amended once this union takes place?

Mr. St. Laurent: The constitution of the province of Newfoundland will be subject to amendment by the legislature of Newfoundland under the first subsection of section 92 of the British North America Act. They will have the right to amend their constitution in every respect save in respect of the office of lieutenant governor, just as every other Canadian province has that right.

Mr. Macdonnell (Muskoka-Ontario): How is it the parliament of Canada has power to revive the constitution of Newfoundland? In

section 1, under the heading "Union", I read:

> On, from, and after the coming into force of these terms . . . Newfoundland shall form part of Canada and shall be a province thereof—

At that stage, when Newfoundland comes in, does it have no constitution? Does it receive its constitution after that? How is it that we, the parliament of Canada, and not the parliament at Westminster, are to revive the constitution which, as I understand it, was derogated from, or whatever the proper expression may be, under the authority of that other parliament?

Mr. St. Laurent: If this were not to be confirmed by a statute of the parliament of the United Kingdom the revival of the constitution of Newfoundland could not be done by the parliament of Canada; it would have to be done by the parliament of the United Kingdom. But it is one of the conditions of this agreement that it does not come into effect or have legal effect until confirmed by an act of the parliament of the United Kingdom.

The delegation from Newfoundland and its law officers insisted that they did not want the province of Newfoundland to get a new constitution out of the union. They wanted to be in the position of the provinces of Nova Scotia and New Brunswick, which had constitutions before union and retained all the powers of their constitutions, except those given to the central authority. It was for that reason that the dean of the law school was insistent upon having the constitution revived an instant before union becomes effective. It will be revived only because there will have been enacted an act by the United Kingdom agreeing to this.

Mr. Macdonnell (Muskoka-Ontario): I am still not clear as to why this clause is in here at all. Has it any effect? As I understand the Prime Minister, this would have no effect unless there was an act passed by the parliament at Westminster. What effect has this clause in here?

Mr. St. Laurent: None of these clauses would have any effect except by virtue of an act passed by the parliament of the United Kingdom. The parliament of the United Kingdom is, at the present time, the legislative body having jurisdiction and authority over Newfoundland. You cannot have a marriage merely with the consent of the groom. You have to have the bride agreeing thereto as well. These terms of union have to be agreed to by Canada and they also have to be agreed to by those who are competent and willing to give consent for the other contracting party.

Section agreed to.

Sections 8 to 16 inclusive agreed to.

On section 17—*Education.*

Mr. Fulton: I wonder if the Prime Minister would be good enough to explain why it is necessary to make a special provision for education in Newfoundland, and why section 93 of the British North America Act is not sufficient to cover the case if it were made applicable.

Mr. St. Laurent: With respect to education, the situation was different from that which existed at the time of the creation of the two new provinces of Alberta and Saskatchewan. At that time, this parliament had control over education in those territories. It could reasonably stipulate it would part with that control, subject only to certain guarantees of the rights of minorities. The delegates from Newfoundland were told we had no control over their educational system at the present time. The authority having legislative jurisdiction at that time, however, could make any provision it wished to make with respect to education. We also told them we had no right to insist upon any guarantee being written into the constitution because they have complete jurisdiction themselves; but if, for the satisfaction of their own people, they felt it was preferable to have a guarantee written into the constitution, we could not object. The matter was discussed back and forth for quite a long time.

The hon. member knows that the sanction of the rights of minorities under section 93 of the British North America Act is an appeal to the governor in council and the enactment by this parliament of remedial legislation. The hon. member knows what difficulties arose out of appeals under that section and out of the attempt to pass remedial legislation some forty years ago. It was felt by the delegation from Newfoundland that it would be more effective to have the clause concerning guarantees drawn in this way so that the legislature would have complete control over education but would not have jurisdiction to do things that would impinge upon the rights of minorities. To do those things would be a denial of jurisdiction.

If an attempt were made to do those things, the recourse is to the courts of law. The courts of law will examine whether or not the thing that is being done is contrary to the guarantee written into this clause. If it is found by the courts of law to be contrary, the courts of law declare it to be void and unconstitutional. It was felt that would be a more effective safeguard than appeal to the governor in council and a request to the central parliament to pass remedial legislation.

Mr. Fulton: I take it, then, one might summarize the effect of this section by saying it has the effect of preserving permanently the status quo in Newfoundland and providing, instead of an appeal to the governor in council against infringement and action by parliament, an appeal to the bench of the Supreme Court of Canada.

Mr. St. Laurent: The ultimate appeal would be to the Supreme Court of Canada. It would be an appeal to the ordinary provincial courts in the first instance, but ultimately there could be an appeal to the Supreme Court of Canada.

The hon. member says the effect is to fix the status quo for all time, but that is subject to some modification. I understand the schools in Newfoundland are denominational schools, but under the present practice different denominations can amalgamate for a school district. The right to do that is preserved. Moreover, there is a right in the legislature to set up other schools than those which exist at the present time, but it is provided that if they do set up other schools they must not discriminate against the denominational schools in the districts. Such was the desire of the delegates from Newfoundland; and, as the hon. member has indicated, the sanction was to be an appeal to the courts, not an appeal to a political body.

Mr. Kidd: May I direct a question to the right hon. the Prime Minister? It has to do with the education of veterans. I notice that veterans affairs comes under section 38, but I do not see the word "education" mentioned in section 38, so I am taking this opportunity of asking my question. The Prime Minister may be familiar with the educational system in Newfoundland. There are no universities in Newfoundland and a student wishing to receive advanced education, after receiving first or second year college, has to go to Dalhousie, McGill, Queen's or varsity. The student finishes his education and takes his degree there. The result has been that a great many Newfoundlanders who came to Canada for their education remained in Canada. There were those, of course, who had to go back because of some business association in the island. I may say that Canada has benefited during the past thirty or forty years from the large number of Newfoundlanders who have remained here upon completion of their education.

In the universities at the present time we have the veterans of world war II. Will the veterans who are attending university today, and those who come in next year, receive the same grants? My question might be directed through you, Mr. Chairman, to the Minister of Veterans Affairs. I know this matter has been taken up, and that the student veterans in university today get $60 and $80. I have in mind particularly the veteran who today is taking a medical course, who has perhaps another three or four years ahead of him—it is a long course—and whose money is running out.

Mr. Gregg: As my hon. friend said, that matter properly comes under section 38, paragraph (f). Perhaps I am out of order but I think I can answer the question quite briefly. Paragraph (f) reads:

> Sections six, seven and eight of the Veterans Rehabilitation Act will be extended to Newfoundland veterans of the second world war who have not received similar benefits from the government of any country other than Canada.

University education comes under section 8. In such a case as that referred to by my hon. friend, completion of the veteran's education would be provided for by my department in exactly the same way as though he had been a Canadian veteran.

Mr. Dickey: On this section on education I should like to say just a word. Many tributes were paid in this house yesterday to the various groups and influences which, down through the years, have contributed to the drawing together of the old colony of Newfoundland and this country.

I think one of the strongest and most important of those influences, which was not mentioned, is the number of young men and young women of Newfoundland who, through the years, have come to the universities and colleges of eastern Canada for the purpose of completing their education, and I refer particularly to the colleges and universities of Nova Scotia. It has been a delight to those institutions to have these welcome visitors who have made so signal a contribution to their academic life. When speaking a few minutes ago, one hon. member referred to the fact that, of those Newfoundland young people who came to Canada to complete their education, a great many stayed in Canada. Happily that has not been true in every case. Perhaps indicative of the importance of the bearing this has on the happy subject we are discussing tonight is the fact that four out of the six Newfoundland delegates, who came here to discuss with the representatives of the government of Canada the terms of union which we are here discussing, were graduates of the law school of Dalhousie university. I am sure we all hope that the young men and young women of the new province will continue to come and pursue their studies at the eastern Canadian universities to which their fathers and mothers came in their day. Along with a widespread and, I hope, important development in the

educational life of the new province itself, will be the backing and the help of the existing institutions which have contributed in great measure to the professional and cultural life of Newfoundland down through the years.

Mr. Timmins: I do not think it would be inappropriate to say that a good number of the young men from Newfoundland have found their way up to Ontario to seek their education. The Secretary of State for External Affairs will bear me out when I say that he and I, as students at Victoria college in Toronto, had with us many young men from Newfoundland, a good number of whom have become professors in Canadian universities. One of them was also a delegate who came from Newfoundland to consult with our officials and our Prime Minister in respect of this act of union. We have welcomed many in the past, and I think that in the future we will welcome more and more of these young men to our various universities, particularly those in Ontario.

Mr. Bentley: I should like to ask the Prime Minister whether consideration has been given to certain things. When speaking on second reading of the bill this afternoon, the leader of the opposition pointed out, in connection with oleomargarine, that there was embodied in this agreement a certain term which, while it may not be operative now, since time and circumstances have removed the need for it at the present time, is nevertheless there for future consideration by anyone who may feel that he may want to take advantage of it. In this section the same thing happens.

The Prime Minister has said that the terms of the Newfoundland delegation with regard to their educational system were something they themselves wanted, and that the Canadian delegation agreed to them because the Newfoundland delegation wanted them. That means that there is a departure from the regular practices under the British North America Act in that the new province of Newfoundland, when union takes place, will not need to appeal to His Excellency the Governor General—or to the lieutenant governor, I presume, in the case of a province —for any changes in connection with the agreement. That may be all right. Traditionally, Newfoundland undoubtedly wants that. They are accustomed to it. But did the Canadian delegates consider seriously the possibility that if this becomes part of the agreement by consent of Canada, then in the future some other provinces which may wish to adopt this particular procedure may possibly put up a strenuous fight, and that we shall find our whole Canadian system of education altered to suit that of Newfoundland? Was that possibility considered when the matter was under discussion?

Mr. St. Laurent: I do not think this term can have any effect on the educational system in Newfoundland or in Canada. It is a modification of the guarantees of minority rights set out in the original British North America Act. In the acts which created the provinces of Alberta and Saskatchewan there were made for those two provinces special provisions which were somewhat different from the terms set out in the original British North America Act. The hon. member suggests the possibility of some province wishing to have these or similar terms instead of having the terms that are now in the British North America Act. I do not know how an an amendment of that kind could be brought about. I think it would be a relief to all of us in Canada if these matters could be dealt with by the courts of justice whenever there was any feeling that a minority right had been violated, instead of being dealt with by means of an appeal to a political body. The experience of the Canadian public with respect to appeals that have been taken under section 93 of the British North America Act is really an unhappy one. It has created disunion, and whatever disposition was made by the governor in council, there was a large section disappointed and dissatisfied with the decision. They are apt to consider that the decision is not really a judicial but a political one. In these matters where there are to be constitutional safeguards it is better to have them sanctioned by judicial decisions than by decisions which many people feel are more of a political than of a judicial character.

Mr. Bentley: The Prime Minister has tacitly agreed that what I suggested might happen could happen and would be desirable. If a province wished to adopt this particular principle or practice, any changes in educational matters would not be subject to a legislative body.

Mr. St. Laurent: No; all changes, under this section, have to be made by the legislative body of Newfoundland, but if the legislative body of Newfoundland attempted to do something that violated a minority right, instead of having a political body decide the question whether or not there was a violation, that question would be decided by a judicial body. It is the same in the other provinces. There are guarantees of minority rights. But when there is a contention that they have been violated, instead of going to the courts to determine whether that is so or not the matter is taken to the governor in council; and, whatever he decides, many feel that his

decision is more apt to be a political decision than a judicial decision.

Mr. Knight: Was any arrangement made in regard to federal grants in aid of education? Was there any discussion in regard to that?

Mr. St. Laurent: There was no discussion on federal grants in aid of education other than the provision made for the extension to the people of Newfoundland of the legislation relating to veterans. The transitional grants provided were fixed after all the requirements of the public services of the province had been considered. There was no special portion allotted for education, but the over-all picture was studied to arrive at a figure that, in the opinion of those who were making the agreement, would make it a workable agreement.

Mr. Knight: I was thinking in particular of the vocational grants now given to technical schools in the other provinces and derived from dominion funds. Was anything done about that? Will these same grants be available?

Mr. St. Laurent: Yes. We attempted to draw this agreement in such a manner that the citizens of Newfoundland would become full Canadian citizens in every respect of rights and obligations.

Section agreed to.

On section 18—*Continuation of laws.*

Mr. Cruickshank: Am I to understand that any laws enacted here will be binding, or can they be appealed and abolished as was done in the case of oleomargarine by the supreme court after sixty-seven years?

Mr. St. Laurent: The hon. member uses language which does not perhaps accurately describe what the supreme court did. The supreme court did not abolish the law. The supreme court decided that those who passed the law had no right to do so and that it had never been any good.

Mr. Cruickshank: What about my question? Am I assured by the Prime Minister that this law is good and that they cannot abolish it?

Mr. St. Laurent: To the best of my knowledge, and to the best of the knowledge of the legal experts who were accompanying both delegations, it is good. It is something within their jurisdiction. Beyond that I cannot go. The hon. member knows that it is not only with respect to oleomargarine that the courts have found that after a long period something that was looked upon as valid law was not so. Perhaps he remembers what happened to the so-called Lemieux act dealing with industrial disputes. It had been applied for a good many years in a manner which the Canadian public thought was satisfactory, and all at once the privy council said that those who passed that law went beyond their jurisdiction and it was not binding on anybody.

Mr. Timmins: Will the Prime Minister make a short statement in respect to the meaning of this particular section, having regard to the following subsection:

> (1) Subject to these terms, all laws enforced in Newfoundland at or immediately prior to the date of union shall continue therein as if the union had not been made . . .
>
> (2) Statutes of the parliament of Canada in force at the date of union, or any part thereof, shall come into force in the province of Newfoundland on a day or days to be fixed . . .

I presume that means that the criminal law of Canada will probably come into force immediately after the passing of the act of union. I should like to know whether the criminal law of Canada will immediately supersede the criminal law of Newfoundland, or just what the situation is to be.

Mr. St. Laurent: No, Mr. Chairman. This section was drawn precisely for the purpose of not having the criminal law, among others, come into force immediately, because we were informed that it would be embarrassing to administer the criminal law of Canada until arrangements had been made to provide the proper machinery, and that therefore it would be preferable to have a provision that these general laws of Canada could from time to time be put into force in the province as machinery to administer them had been previously provided; and that pending that time the laws in force at the time of union would continue.

In Quebec at the present time there is a civil code which came into force in 1866, and which contains provisions that the parliament of Canada would have the right to amend or repeal. But it has not yet been seen fit to do that. The legislature of Quebec would not have the right to enact that kind of legislation, but it does apply as a part of the legislation of Quebec until such time as parliament sees fit to deal with it. It will be the same with respect to Newfoundland. They have a certain body of laws which will continue to be applied until by proclamation it is stated that the present laws of the dominion in that regard will be substituted for those that exist in the province. Of course it is not intended that it will take very long. It is intended to be merely a transitional measure to bring progressively into force those Canadian laws under conditions which will not prove to be embarrassing; and it is perhaps because there were on the delegation

those distinguished lawyers, graduates of Toronto and Dalhousie, that a section such as this was very carefully considered. We were told that it would be embarrassing to them in the administration of criminal justice to jump right away from a common law system to the code; that they were not going to take the trouble of learning our code and our procedure until they were sure that they were going to have to apply it; and that it would take them some little time after they became sure that the union was going to be realized to put themselves in a position properly to administer the provisions of the Criminal Code of Canada.

Mr. Hackett: Will the Prime Minister say to what extent the judgments of the Supreme Court of Canada and of the privy council, in so far as they bear upon the relationship between the provinces and the dominion, would find application to the new relationship about to be established between Newfoundland and the dominion?

Mr. St. Laurent: The only answer I can make is that it was assumed by delegates on both sides that the Canadian constitution as it applies in fact to the other Canadian provinces would apply to Newfoundland after the union.

Mr. Hackett: Is there any enactment to that effect? Is there anything that would warrant that statement?—and I hope the Prime Minister will not think I am unduly inquisitive.

Mr. St. Laurent: It was felt that section 3 would have that effect. And then, as the Statute of Westminster is not one of the British North America Acts, and the decisions which may be given with respect to the Statute of Westminster do not affect the British North America Acts, and vice versa, it was felt there should be a special declaration as to the manner in which the Statute of Westminster would apply to Newfoundland. That was provided in section 48. From and after the date of union it will apply to the province of Newfoundland as it applies to the other provinces of Canada.

It was felt that having section 3, which refers to the British North America Acts, that included not only British North America Acts but those acts as the courts have construed them to be; and that section 48, adding to it the Statute of Westminster, would give the new province exactly the same status as the other Canadian provinces.

Mr. Jaenicke: Will the Prime Minister tell us whether Newfoundland has a divorce law?

Mr. St. Laurent: Newfoundland has no divorce law; and we were informed that there were, I believe, three persons who claimed to be divorced because they had gone to other jurisdictions and there obtained decrees. But there seemed to be some doubt as to whether those divorces were divorces which should be recognized. And of course that would depend upon whether there had been really a change of domicile before the divorce decrees were granted.

Mr. Pearkes: Will there be any change in the laws in force on those portions of the ocean between Canada and Newfoundland? In other words, will there be any extension of the extraterritorial waters, now that Newfoundland will become part of Canada—because I believe it is customary that when a portion of the ocean is nearly surrounded by a country, that water is declared a territorial water.

Mr. St. Laurent: We intend to contend, and hope to be able to get acquiescence in the contention that the waters west of Newfoundland constituting the gulf of St. Lawrence shall become an inland sea. We hope that, with Newfoundland as a part of Canadian territory, the gulf of St. Lawrence west of Newfoundland will all become territorial waters of Canada, whereas before there would be only the usual off-shore portion that would thus become part of the territorial waters. Of course that is a matter which is not governed by statutes; it is governed by the comity of nations. It is our intention to assert that position and it is our hope that it will be recognized as a valid contention.

Section agreed to.

On section 19—*Supply.*

Mr. Cruickshank: I am sorry to say I was not here at the time representation in parliament was being discussed, but I believe I am in order in discussing that matter on this subject of supply—because it provides the money.

Mr. Knowles: Move an amendment.

Mr. Cruickshank: I wish I could. Do I understand seriously that 320,000 people are to have seven members representing them in the House of Commons, while they are to have six appointed—and parliamentary language does not permit me to say where. In British Columbia we have one city, the city of Vancouver, with 350,000 people—

An hon. Member: Order.

Mr. Cruickshank: "Order"—my foot. I do not think they are serious about this bill. Are there to be seven members elected by the people of Newfoundland, and six appointed to the other place—and by I don't know whom? It does not make sense, and I object seriously to it.

I cannot move an amendment. I am in favour of having a tenth province, but I am definitely not in favour of moving six from one graveyard to another—over there—particularly when British Columbia is limited to its present number, six.

Mr. Abbott: Carried.

Mr. Cruickshank: No. And I presume with those seven members, and six appointed to the other place, if we were to carry this through to its logical conclusion, that would mean three and a half parliamentary assistants.

Mr. MacNicol: Too many of those now.

Mr. Cruickshank: So far as I am concerned, through you to the Prime Minister, Mr. Chairman, I strenuously object to the six members not elected from this population.

Mr. St. Laurent: Unfortunately the objection comes a little too late, because the provision for six members in the other place, in the event of Newfoundland's joining Canada, was enacted some thirty-three or thirty-four years ago. It was enacted at the same time as the provision was made that representation in this chamber should never fall below the number of members to which it was entitled in the Senate. It is for that reason that the province of Prince Edward Island is still entitled to four members in the House of Commons, although the quotient of representation for the rest of Canada would be something of the order of fifty odd thousand per member.

Mr. Cruickshank: Does not the Prime Minister think that right in this parliament we enacted an amendment whereby we did exactly the opposite to what he is stating? We are changing our redistribution at the present time. Quebec is getting more than she had before; and some of the other provinces will have more.

I am afraid the Prime Minister's argument does not hold good at all. This will mean six people we will have to look after in that little island over there—and a certain parliamentary assistant made a speech here not so long ago along the very lines I am following. If Prince Edward Island, with a handful of population, is entitled to four senators, then surely to goodness British Columbia is entitled to more than six. Surely we are entitled to more than that, when one of our larger centres has a greater population than either of these districts I have mentioned—including the new province entering confederation. I do not think the Prime Minister's argument holds good at all.

Mr. Gibson (Comox-Alberni): What the hon. member for Fraser Valley has said must bring closely to the attention of the Prime Minister the very urgent need for reform in the Senate, which was so often promised by his illustrious predecessor. It does seem fantastic that the maritime provinces—

Mr. Knowles: Where have you fellows been all night?

Mr. Gibson (Comox-Alberni): I thought you were interested in the reform of the Senate?

Mr. Knowles: On a point of order, we discussed this matter for an hour.

Mr. Gibson (Comox-Alberni): After all, in the maritime provinces, producing about the same amount of fish as British Columbia does, there will be 30 senators; yet we have only six senators. I can assure the committee that there are as many indigent politicians in British Columbia as there are in the maritime provinces.

Section agreed to.

Sections 20 and 21 agreed to.

On section 22—*Fisheries.*

Mr. Knowles: I wonder if the Minister of Fisheries would make some comment on the sections having to do with fisheries? This is one of the subjects connected with the coming into confederation of Newfoundland about which I have been reading and I have found it rather interesting, in fact almost intriguing. Such documents as I have read would seem to suggest that Newfoundland may be ahead of Canada in her legislative provisions for the marketing of fish. I understand that Newfoundland is to have the right to continue for another five years the arrangements that she now has. May I inquire whether the Department of Fisheries and the government generally will be considering the methods employed in Newfoundland with the possibility, should it be found that theirs are better than ours, of changing the Canadian laws.

Mr. Mayhew: I do not know whether you wish to call it eleven o'clock, but it will take longer than five minutes for me to give an adequate answer.

Mr. St. Laurent: Perhaps if the explanation will extend beyond eleven o'clock it might suit the convenience of hon. members if I moved that the committee rise, report progress and ask leave to sit again.

Section stands.

Progress reported.

Business of the House

BUSINESS OF THE HOUSE

Mr. St. Laurent moved the adjournment of the house.

He said: Tomorrow the government would propose to continue with this bill in committee. If that is disposed of we will continue with the debate on the resolution concerning the extension of certain emergency powers, which debate was interrupted last night.

Mr. Knowles: In other words, we will not take up the bill of the Minister of Justice respecting Newfoundland?

Mr. St. Laurent: That bill has not been distributed and I would not like to ask the house to consider it until it has been in the hands of hon. members for at least a few hours. It was decided that questions would be answered and consideration given to notices of motions for the production of papers.

Motion agreed to and the house adjourned at 10.55 p.m.

HOUSE OF COMMONS

Wednesday, February 9, 1949

The house met at three o'clock.

PRIVILEGE

REFERENCE TO COUNT JACQUES DE BERNONVILLE

Mr. Frederic Dorion (Charlevoix-Saguenay): Mr. Speaker, I rise on a question of privilege. I am one of two counsel for Count de Bernonville, a citizen of France who is before the court contesting an order for deportation. It is for this reason that I strongly resent the untrue and unfounded statement made yesterday by the hon. member for Winnipeg North (Mr. Stewart), when the orders of the day were called. He said:

Is the minister aware that this man is a traitor, and that he betrayed our allied soldiers to the gestapo?

Had I not been convinced, not only of this man's innocence, but especially of his assistance to our soldiers during the war, I would not have acted for him. My conviction is based on authentic and true documents which are in my possession. I invite anyone, especially any hon. member of this house, to come to my office and examine those documents if he so wishes.

BILL OF RIGHTS

PRESENTATION OF PETITION SIGNED BY 625,510 CANADIANS

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I have been asked to present to this house, on the same basis as previously, a petition signed by 625,510 Canadians requesting a bill of rights. I now present this petition, although I do not agree with the religious views of the organization which promoted it.

NEWFOUNDLAND

CORRESPONDENCE PROTESTING AGAINST PROCEDURE IN UNION WITH CANADA

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I desire to lay on the table several documents in connection with the protests from organizations in Newfoundland concerning the procedure followed in connection with the union of Newfoundland with Canada. There are two communications addressed to the former prime minister, and the answers which he made thereto. The first communication is dated the 29th of July, 1948, and the answer is dated the 30th of July, 1948. It was a telegram. The other communication is dated the 10th of August, 1948, the answer being dated the 11th of August, 1948.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

AGRICULTURAL PRICES SUPPORT BOARD—PURCHASES AND PAYMENTS, 1947-48

Mr. Hatfield:

1. What amounts were paid out by the agricultural prices support board during the years 1947 and 1948?

2. What quantity of each agricultural product was purchased, showing agent's name?

Mr. McCubbin:

1. Calendar year 1947, $97,286.84; calendar year 1948, $3,961,357.82.

2. 1947—Potatoes: F. W. Pirie Company Ltd., Grand Falls, N.B., 11,047,575 lbs.; Geo. E. Full & Sons, Hunter River, P.E.I., 1,496,840 lbs.

1948—Apples: Nova Scotia apple marketing board, 1,694,202 bbls.

AGRICULTURAL PRICES SUPPORT BOARD—APPLES AND ORANGES—TRADE WITH BRAZIL

Mr. Hatfield:

1. What was the quantity and value or cost of apples in their natural state that were shipped to Brazil by the agricultural prices support board or its agents?

2. What was the quantity and value or cost of apples in processed state and apple juice shipped to Brazil by the agricultural prices support board or its agents?

3. Did the agricultural prices support board make arrangements with the Brazilian importers to accept oranges in payment for the apples or apple products shipped?

4. Were the oranges sold in Canada and how much money was received in the transaction?

5. Who handled the oranges in Canada and at what port were they received?

6. Were the oranges put into storage upon arrival?

Mr. McCubbin:

1. None.

2. None.

3, 4, 5 and 6. Answered by Nos. 1 and 2.

Questions

PAYMENTS TO POTATO AND FRUIT INSPECTORS

Mr. Hatfield:

1. How are the table potato inspectors paid under the Fruit, Vegetables and Honey Act?
2. How are the seed potato inspectors paid under the Plant Protection Act?
3. How are the apple and other fruit inspectors paid under the Fruit, Vegetables and Honey Act?

Mr. McCubbin:

1. Fruit and vegetable inspector, grade 1—$180, $190, $200, $210 and $215 per month; fruit and vegetable inspector, grade 2—$215, $225, $235 and $240 per month.

2. Inspector, plant protection, grade 1—$180, $190, $200, $210 and $215 per month; inspector, plant protection, grade 2—$215, $225, $235 and $240 per month.

3. Answered by No. 1.

The above salaries are paid for continuous employment. When employed on a per diem basis, the employees are paid at the same rate.

FOOD—EXPORTS TO BRITAIN, 1947-48

Mr. Timmins:

1. What was the value of Canada's exports to Great Britain in 1947 of (a) wheat; (b) cheese; (c) bacon; (d) other foodstuffs?
2. What was the value of Canada's exports to Great Britain in 1948 of (a) wheat; (b) cheese; (c) bacon; (d) other foodstuffs?

Mr. McIlraith:

1 and 2. Value of Canada's exports to Great Britain.

	1947	1948
(a) Wheat	$208,995,482	$196,533,828
(b) Cheese	13,599,246	11,085,099
(c) Bacon	60,572,735	67,844,842
(d) Other foodstuffs:		
Agricultural and vegetable food products (except wheat)	91,873,721	62,777,108
Fish and products	6,491,778	1,811,893
Meats (except bacon)	14,542,815	9,515,700
Milk products (except cheese)	4,694,122	114,095
Eggs and products	35,938,465	14,205,854

APPLES—SALES TO BRITAIN, 1947-48

Mr. Timmins:

What value of apples were shipped to and sold in Great Britain in (a) 1947; (b) 1948?

Mr. McIlraith: Value of apples exported to Great Britain: (a) Calendar year 1947, $2,729,426; (b) calendar year 1948, nil.

EXPORTS AND IMPORTS—CANADA AND THE UNITED STATES, 1946-47-48

Mr. Timmins:

1. What was the value of Canada's gross exports to the United States in each of the years 1946, 1947 and 1948?

2. What was the value of Canada's gross imports from the United States in each of the years 1946, 1947 and 1948?

3. What amount did Canada export to the United States during the year 1948 in (a) pulpwood; (b) timber; (c) iron ore or steel; (d) other base metals; (e) cattle; (f) manufactured goods?

Mr. McIlraith:

*1. Value of Canada's gross exports to the United States:

Calendar year	
1946	$ 908,577,167
1947	1,056,597,568
1948	1,522,184,807

*2. Value of Canada's gross imports from the United States:

Calendar year	
1946	$1,405,296,699
1947	1,974,679,178
1948 (preliminary)	1,808,500,000

3. Canadian exports to United States during the year 1948:

(a) Pulpwood	$42,237,021
(b) Timber, square	157,312
(c) Iron ore or steel:	
Iron ore	5,300,742
Ferro-alloys	12,481,345
Pigs, ingots, blooms & billets	621,473
Scrap iron or steel	186,640
Castings and forgings	2,010,840
Rolling mill products	1,115,163
(d) Other base metals:	
Aluminum and products	25,874,738
Brass and products	1,235,804
Copper and products	17,763,112
Lead and products	18,157,509
Nickel and products	56,318,271
Zinc and products	25,766,437
(e) Cattle	72,404,738
(f) Manufactured goods (not yet available).	

*Excluding gold.

Questions

INCOME TAX—FARMERS' NET WORTH STATEMENT

Mr. Hatfield:

What number of farmers in each province made out a net worth statement for the years 1946 and 1947?

Mr. McCann: In 1946, farmers were required to file a net worth statement only if no other means of ascertaining income were available, and in 1947, only farmers reporting on an accrual basis were required to complete a net worth statement.

There is no statistical record of farmers filing net worth statements for these years.

OLD AGE PENSIONS—PAYMENTS TO PROVINCES AND REFUNDS FROM ESTATES, 1945-48

Mr. Timmins:

1. What amount was paid for old age pensions to each of the provinces, and for how many persons in each province, in each of the years 1945, 1946, 1947 and 1948?

2. What amount of money was returned to the federal government, by each province in each said year, by way of moneys collected back by the provinces from the estates of old age pensioners?

Mr. Reid:

1. (A). Amounts paid by the dominion to the provinces during each fiscal year from 1944-45 to 1947-48 for old age pensions and pensions for blind persons:

Old Age Pensions

Province	1944-45	1945-46	1946-47	1947-48
Alberta	$ 2,401,386.15	$ 2,526,214.64	$ 2,699,425.03	$ 3,466,114.21
British Columbia	3,236,033.65	3,485,885.07	3,767,623.23	5,171,017.31
Manitoba	2,879,947.97	2,684,083.31	2,826,747.15	3,727,392.10
New Brunswick	2,390,977.80	2,498,871.32	2,649,019.60	3,634,260.45
Nova Scotia	2,807,890.33	2,913,972.32	3,093,204.05	3,943,563.30
Ontario	12,291,117.43	13,129,815.81	13,886,363.96	17,999,870.26
Prince Edward Island	311,582.78	322,440.55	350,808.13	478,924.19
Quebec	10,386,114.68	10,823,345.20	11,466,940.27	14,714,436.55
Saskatchewan	2,794,902.96	2,903,019.80	3,085,226.48	3,836,980.15
Northwest Territories	3,073.80	3,579.07	4,222.08	5,830.75
	$39,503,027.55	$41,291,227.09	$43,829,579.98	$56,978,389.27

Blind Pensions

Province	1944-45	1945-46	1946-47	1947-48
Alberta	$ 54,289.17	$ 57,550.39	$ 62,155.43	$ 81,255.50
British Columbia	73,302.49	75,441.39	80,435.16	108,588.79
Manitoba	85,129.83	79,472.92	86,624.75	114,974.51
New Brunswick	161,588.00	161,978.47	166,413.70	217,407.30
Nova Scotia	140,039.16	142,671.86	147,485.80	181,815.41
Ontario	331,210.30	341,573.54	359,859.91	464,863.54
Prince Edward Island	22,011.81	22,794.94	24,211.44	29,423.60
Quebec	530,168.53	568,427.51	605,760.62	801,694.04
Saskatchewan	74,238.68	76,835.99	81,938.78	107,611.31
Northwest Territories			250.00	355.00
	$1,471,977.97	$1,526,747.01	$1,615,135.59	$2,107,989.00

(B). Number of old age pensioners as at the end of each fiscal year from 1944-45 to 1947-48:

Province	1944-45	1945-46	1946-47	1947-48
Alberta	11,418	12,098	12,738	13,792
British Columbia	15,344	16,637	18,039	21,621
Manitoba	12,324	12,981	13,583	15,026
New Brunswick	12,269	12,663	13,360	14,524
Nova Scotia	14,032	14,771	15,403	16,984
Ontario	58,113	60,831	65,085	70,765
Prince Edward Island	1,884	1,980	2,112	2,417
Quebec	49,289	51,567	54,489	59,204
Saskatchewan	12,827	13,398	14,204	14,806
Northwest Territories	12	15	16	19
	187,512	196,941	209,029	229,158

Questions

Number of blind pensioners as at the end of each fiscal year from 1944-45 to 1947-48:

Province	1944-45	1945-46	1946-47	1947-48
Alberta	247	269	290	332
British Columbia	336	340	370	460
Manitoba	348	365	391	455
New Brunswick	736	737	758	896
Nova Scotia	640	664	685	805
Ontario	1,488	1,543	1,623	1,814
Prince Edward Island	110	119	121	126
Quebec	2,425	2,568	2,709	3,178
Saskatchewan	333	340	363	409
Northwest Territories	..	..	1	1
	6,663	6,945	7,311	8,476

NOTE: As at December 31, 1948, there were 248,289 old age pensioners and 9,425 blind pensioners.

2. Dominion's share of amounts recovered by the provinces from the estates of deceased old age and blind pensioners for the fiscal years 1944-45 to 1947-48—

Old Age Pensions

Province	1944-45	1945-46	1946-47	1947-48
Alberta	$ 35,351 35	$ 27,486 34	$ 24,248 07	$ 15,369.86
British Columbia	63,653 01	40,473 59	56,674 61	68,828.28
Manitoba	83,641 87	57,273 46	75,634 97	40,795.94
New Brunswick	—	—	838 05	—
Nova Scotia	9,899 27	6,897 01	3,288 71	8,142 50
Ontario	197,907 01	123,842 41	134,271.80	114,907.46
Prince Edward Island	1,670 57	1,915 98	2,141 45	1,294.57
Quebec	27,699 67	29,906 93	42,049 95	45,951.32
Saskatchewan	31,075 06	25,149 50	29,022.47	30,209.38

NOTE: Recoveries from the estates of deceased old age pensioners represent the following percentages of dominion payments:

1944-45 — 1·14 per cent
1945-46 — ·76 " "
1946-47 — ·84 per cent
1947-48 — ·57 " "

Blind Pensions

Province	1944-45	1945-46	1946-47	1947-48
Alberta	—	—	—	—
British Columbia	$ 118 32	$ 18 75	$ 55 24	$ 669 82
Manitoba	145 58	1,386 98	284 14	—
New Brunswick	—	—	—	—
Nova Scotia	—	—	241 17	—
Ontario	545 62	—	1,428 75	1,367 21
Prince Edward Island	—	—	150 00	—
Quebec	112 50	210 69	—	185 25
Saskatchewan	750 00	—	—	—

NOTE: As recoveries from the estates of blind pensioners are so small percentages are not given.

EMBARGO ON POTATOES

Mr. Hatfield:

1. Was the government requested by the authorities at Washington to place an embargo against table stock potatoes entering the United States?

2. If so, on what date was the request made?

3. Did Washington request the Canadian government to stop certified seed potatoes from entering the United States except on a quota monthly basis?

4. If so, when was this request made?

5. Will there be any table potatoes allowed shipment to the United States by the Canadian government of the 1949 crop?

6. If so, under what arrangements?

7. Under what act was the embargo placed on table potatoes shipped from Canada to the United States?

Mr. McIlraith:

1. No; however, on October 27, 1948, this government received a request from the

United States government to discuss the subject of potatoes. We were advised that it was the intention of the United States government to stop the importation of Canadian potatoes on the grounds that such imports were rendering ineffective the United States price support program. Realizing that such an embargo would do incalculable injury to our United States market for seed potatoes, this government pressed for a control system that would not arbitrarily cut off shipments at some early date, but which would allow United States buyers of Canadian certified seed potatoes to take delivery, as is their custom, during the winter or early spring.

2. See answer to No. 1.

3. No, nor have monthly quotas been established. However, to ensure that Canadian seed potatoes are not channeled into United States table stock markets, the United States authorities have required that shipments of Canadian seed potatoes be restricted in such a way that they shall enter the United States during a period of approximately two months prior to the actual seeding time. This period will vary with the seeding dates of the various states.

4. See answer to No. 3.

5. The agreement under reference, entered into with the United States, applies only to potatoes of the 1948 crop. There have been no intergovernment discussions with regard to the 1949 potato crop.

6. See answer to No. 5.

7. Table potatoes were placed under export control under the provisions of the Export and Import Permits Act.

PUBLIC BUILDINGS—EAST BLOCK
FIRE ALARM SYSTEM

Mr. Aylesworth:

1. Is there a fire alarm system in the east block?
2. If so, when was it installed?
3. What was the name of the contractor who installed the system?
4. Were tenders called for this installation?
5. Who recommended same?
6. Is the system approved by the national research council or the national board of fire underwriters?

Mr. Fournier (Hull):

1. Yes.

2. January, 1914.

3. Ontario May-Oatway Fire Alarms Limited of Toronto, Ont.

4. No.

5. This system was adopted on the report of the chief electrician of the Department of Public Works, and an officer of the dominion police, who had investigated a number of systems.

6. No.

NATIONAL FILM BOARD—PICTURES TAKEN IN LAKE OF BAYS DISTRICT

Mr. Fraser:

1. Did the national film board take motion pictures or still pictures in the Lake of Bays district during the year 1948?
2. If a motion picture was taken, what is the name of the picture?
3. What department was this picture taken for, and what was the approximate cost of same?
4. How many members of the staff of the national film board went to the Lake of Bays to take this picture, and at what hotel did they stay and for what period?

Mr. Winters:

1. Scenes in a motion picture were filmed in the Lake of Bays district during 1948. No still pictures were taken.

2. Proposed release title, "Welcome, Neighbour."

3. National film board, for the "Canada Carries On" series. This film has been made with the advisory co-operation of a committee appointed by the dominion-provincial tourist conference and release is planned to coincide with tourist educational week in April, 1949. The film is made with the purpose of stressing the importance of the tourist industry to the Canadian economy. Estimated cost of the film, when completed, will be approximately $14,000.

4. August 16—August 23, 1948. A crew of four men, consisting of director, location manager, cameraman and assistant cameraman worked out from Huntsville, staying first at Bayview lodge, Huntsville, and then at Empire hotel, Huntsville. Some material was shot on Lake of Bays, at Britannia lodge, during this period.

September 3—September 7, 1948. A crew of three men, consisting of director, cameraman and assistant cameraman did further shooting in Lake of Bays area, staying at Bigwin inn.

PONTIAC COUNTY MAIL SERVICE—ROUYN-NORANDA

Mr. Caouette:

1. Has any action been taken by the Post Office Department to establish a mail carrier delivery in the twin cities of Rouyn-Noranda?
2. If so, what steps have been taken to establish such service?
3. What parishes in the county of Pontiac have rural mail service?
4. Why are other parishes deprived of such services?
5. Are any negotiations under way for the establishment of rural mail service in certain parishes of the county of Pontiac?
6. If so, in what parishes and what action is being taken?

Mr. Bertrand (Laurier):

1. Yes.

2. A report has been submitted to the governor in council, as provided by section 40

of the Post Office Act, for authority to establish the service.

3. Rural mail service is not organized on a basis of parishes or counties.

4. See answer to No. 3.

5 and 6. Proposals for establishment of additional rural mail routes in several places in the county of Pontiac are at present under consideration.

J. E. GABOURY

Mr. Caouette:

1. Is J. E. Gaboury in the employ of the Department of National Revenue?
2. If so, what are his duties?
3. Since what date has he been so employed?
4. What is his salary?
5. Do his duties involve any expenditures?
6. If so, what have been such expenses since January 1, 1945?
7. Is he a civil servant?
8. If so, since what date?

Mr. McCann:

1. Yes.

2. Legal adviser, grade 2.

3. November 18, 1927.

4. $6,000.

5. Yes.

6.

Jan. 1/45 to Mar. 31/45.....	$ 508.15
Fiscal year 1945-46.....	1,488.82
Fiscal year 1946-47.....	2,128.85
Fiscal year 1947-48.....	2,172.36
April 1/48 to Dec. 31/48....	2,128.34
	$ 8,426.52

7. Yes.

8. November 18, 1927.

CARDINAL MINDSZENTY

Mr. Caouette:

1. Have any organizations requested the government to protest against the arrest of Cardinal Mindszenty?
2. If so, what organizations?

Mr. Pearson:

1. Yes.

2. So far the government has received protests from the following organizations:

The Canadian Episcopate and the Canadian Catholic Conference, by Cardinal McGuigan and Archbishop Vachon; the Knights of Columbus: (Supreme Board of Directors New Haven, province of Quebec Executive, Regina Council, Prince Albert Council, Saskatchewan jurisdiction, Rideau Council, Saskatoon Council, Toronto, Marieville, Val d'Or, Montreal); the First Hungarian Presbyterian Church, Toronto; Association Professionnelle Catholique des Voyageurs de Commerce du Canada; the Municipal Council of the City of Quebec; Our Lady of Hungarian Roman Catholic Church, Montreal; St. Elizabeth Catholic Church, Toronto; St. Elizabeth Catholic Church, Stockholm, Saskatchewan; The Archdiocesan Union of Holy Name Societies of Toronto and Vancouver; St. Anthony's Holy Name Society, Ottawa; the Mutual Hungarian Democratic Society, Brantford, Ontario; St. Stephen's Church, Regina, Saskatchewan; Holy Trinity Church, Cupar, Saskatchewan; the Bekevar Presbyterian Church, Kipling, Saskatchewan; Hungarian Mutual Affairs Committee; St. Clement's CYO Preston, Ontario; the Ottawa Council of Catholic Action; Catholic Advisory Law Council, Vancouver; the Ancient Order of Hibernians, Montreal; Les Electeurs de Louiseville, Province of Quebec; St. Jean Baptiste Society: (St. Joseph d'Alma, Dolbeau); Garde St. Georges de Jonquiere; Union Catholique des Fermieres, Timmins, Ontario; Ligue du Sacre-Cœur de Ste-Anne de Chicoutimi; Kaposvar Parish, Esterhazy, Saskatchewan; Catholic Lay Council, Whitehorse; St. Mary's Roman Catholic Church, Arbury; St. Anne's Hungarian Roman Catholic Church, Arbury; Canadian National Unity Council of Hamilton; St. Stephen's Catholic Church, Toronto; John Calvin Hungarian Presbyterian Congregation, Toronto; Ligue du Sacre Cœur, paroisse Immaculee Conception, Edmundston; Hungarian Mutual Affairs Committee, Windsor; Union des Electeurs: (Central Executive, St. Hyacinthe, Montreal, Quebec city, Sherbrooke, Three Rivers, Asbestos, Arvida, Lauzon, Kenogami).

CANADIAN REPRESENTATION IN RUSSIA

Mr. Caouette:

1. Has Canada an ambassador in communistic Russia?
2. If so, (a) who is he; (b) what is his annual salary; (c) what is his past record?

Mr. Pearson:

1. No.

2. Answered by No. 1.

CANADIAN REPRESENTATION IN VATICAN CITY

Mr. Caouette:

1. Is Canada represented in Vatican city?
2. If so, by whom and at what salary?
3. If not, why is there no Canadian ambassador to the Vatican?

Mr. Pearson:

1. No.

2. Answered by No. 1.

3. The question of the extension of Canadian diplomatic representation, which is influenced by a variety of circumstances, is under periodic consideration by the government. Such consideration would include the question of appointing a representative to the Vatican.

CARDINAL MINDSZENTY

Mr. Caouette:

1. Has the Canadian government made official representations to the Hungarian authorities against the arrest of Cardinal Mindszenty?
2. If so, of what nature?
3. If not, why were no such representations made?

Mr. Pearson:

1. Answered by my statement in the house, which appears on page 162 of *Hansard* for Wednesday, February 2.
2. Answered by No. 1.
3. Answered by No. 1.

ARCHBISHOP STEPINAC

Mr. Caouette:

1. Have representations been made to the Yugoslav authorities by the Canadian government concerning the imprisonment of Archbishop Stepinac?
2. If so, what were the terms of such representations?
3. If not, why were no such representations made?

Mr. Pearson:

1. No.
2. Answered by No. 1.
3. Answered by the statement made by Mr. St. Laurent when Secretary of State for External Affairs, which appears on page 712 of *Hansard* for February 24, 1947.

NATIONAL REVENUE—NEW BUILDING IN LONDON, ONT.

Mr. Manross:

1. Is a building being erected in the city of London, Ontario, for the Department of National Revenue, Income Tax?
2. If so, by whom?
3. What rental will be paid by the department for such building?
4. Were builders or investors in London, Ontario, asked to tender on such building?

Mr. Fournier (Hull):

1. Yes.
2. Westmount Realties Limited.
3. $1.75 per square foot per annum, including steam or fuel for heating.
4. No information, as building being erected by private interests.

SOLDIER SETTLERS—REDUCTION OF INDEBTEDNESS AND GRANTING OF CLEAR TITLES

Mr. Fair:

1. What amount has been spent out of moneys provided under vote No. 927 at the 1948 session?
2. How many clear titles have been issued as a result of this appropriation?
3. In what province were those located?
4. What was the reduction in each case?
5. What procedure was followed in determining cases to be dealt with?

Mr. Mutch:

Return as of January 31, 1949:

1. $75,442.32. A further amount of $69,557.68 has been allotted to district offices and not yet used.

2. None have yet been issued but agreements for cash settlement have been reached in 209 cases and titles are in course of being issued.

3. B.C., 21; Alta., 97; Sask., 63; Man., 3; Ont., 8; N.B., 13; N.S., 3; P.E.I., 1.

4. It is not considered to be in the interests of the veteran to disclose information of this nature affecting individual transactions. The average reduction in the cases in which payments have been made under vote No. 927 has been $335.30.

5. By selecting those settlers whose agreement has not been terminated, rescinded or assigned, and whose indebtedness under such agreement is, in the opinion of the director of soldier settlement, beyond both the productive capacity of the land concerned and, having regard to the age of the settler or his physical limitations, the personal capacity of the settler to pay; then by negotiating with the settler to determine an amount which he can reasonably be expected to pay either immediately or by annual instalments within three years.

FRED ROSE

Mr. Lennard:

1. Is Fred Rose, former member of parliament, now serving as an inmate of the St. Vincent de Paul penitentiary, employed in the library of that institution?
2. If so, in what capacity is he employed and what are his duties?

Mr. Garson:

1. Yes.
2. Employed in fitting and repairing covers for library books under supervision of the penitentiary librarian and other custodial officers.

ALLOWANCES FOR JURY DUTY

Mr. Knowles:

What is the per diem allowance for jury duty in each of the provinces of Canada?

Mr. Garson: The question of a per diem allowance for jury duty is not one that comes under dominion jurisdiction but is one that is provided for in the relevant acts of each province.

CENTRAL EXPERIMENTAL FARM—WAGES AND WORKING CONDITIONS

Mr. Knowles:

1. What are the minimum and maximum wages per hour paid to labourers at the Central Experimental Farm, Ottawa?
2. What are the wages per hour paid to blacksmiths, carpenters, apprenticed carpenters, painters and other artisans at the Central Experimental Farm?
3. What are the hours per week for labourers at the Central Experimental Farm?

Questions

4. What are the hours of work per week for blacksmiths, carpenters, apprenticed carpenters, painters and other artisans at the Central Experimental Farm?
5. What sick leave is granted to labourers, as noted above?
6. What sick leave is granted to artisans as noted above?
7. What deductions are made from labourers, noted above, for superannuation or retirement fund? On the basis of how many hours per year are such deductions made?
8. What deductions are made from artisans, as noted above, for superannuation or retirement fund? On the basis of how many hours per year are such deductions made?

Mr. McCubbin:

1. 45 to 70 cents per hour.

2.

	per hour
Blacksmith	$ .98
Foreman carpenter	1.03
Carpenter	.96
Apprentice carpenter	.70
Painter	.93
Farm mechanic	.69
Tractor operator	.69
Teamster	.66
Truck driver	.67
Night watchman	.59

3. Summer—55 hours. Winter—50 hours.

4.

Blacksmith	50 hours	year-round
Foreman carpenter	44 "	" "
Carpenter	44 "	" "
Apprentice carpenter	44 "	" "
Painter	44 "	" "
Farm mechanic—Summer		Winter
	55 hours	50 hours
Tractor operator	"	"
Teamster	"	"
Truck driver	"	"
Night watchman	"	"

5. None.

6. None.

7. 5½ per cent and 6 per cent for superannuation; 5 per cent for retirement fund based on a working year of 3,130 hours.

8. Same as No. 7 but based on working hour years of 2,296 hours for 44 hour week and 2,504 hours for 50 hour week.

The above wage rates include a flat increase of 5 cents per hour, which is being made effective as from October 1, 1948.

SAM CARR

Mr. Diefenbaker:

1. When was Sam Carr naturalized?
2. Was his naturalization at any time cancelled?
3. If so, what was the date thereof?
4. If reinstated, when and for what reasons?

Mr. Gibson (Hamilton West):

1. June 23, 1931, certificate No. 79513, series A.

2. Yes.

[Mr. Knowles.]

3. December 17, 1932.

4. Sam Carr filed a new application under the provisions of the Naturalization Act with the court of general sessions of the peace, Toronto, on December 11, 1936. This application was approved by His Honour Judge Honeywell on February 4, 1937. Upon direction of the then Secretary of State, certificate of naturalization No. 202984, series A, was issued on March 2, 1945.

INCOME TAX—FARMERS—INSPECTORS AND ENFORCEMENT OFFICERS

Mr. Diefenbaker:

1. What amount of income tax was paid by farmers in each of the provinces since the first of January, 1948?
2. What were the number of returns made by farmers, by provinces, during the said period?
3. How many inspectors and enforcement officers are there in each province?

Mr. McCann:

1. The taxation division does not maintain statistics of collections by occupations. Statistical breakdown on an occupational basis is available only for the amount of tax declared on filing.

2. The number of returns filed on Form T-1 Farmers 1947 is:

Prince Edward Island	5,297
Nova Scotia	5,371
New Brunswick	3,187
Quebec	9,902
Ontario	42,001
Manitoba	29,786
Saskatchewan	54,929
Alberta	46,715
British Columbia	10,065
	207,253

The number of returns filed by farmers on other forms is not tabulated.

3. There are no inspectors and enforcement officers employed by the taxation division. The intelligence branch, formerly known as the enforcement section, has officers stationed in the provinces as follows:

Prince Edward Island	Nil
Nova Scotia	Nil
New Brunswick	2
Quebec	3
Ontario	23
Manitoba	1
Saskatchewan	2
Alberta	3
British Columbia	3
	37

In addition there are 17 intelligence officers stationed at head office, Ottawa, who are not specifically assigned to any province.

MLITARY MISSION TO INDIA AND PAKISTAN

Mr. Pearkes:

1. Is a military mission being sent to India or Pakistan?
2. If so, what is the purpose of the mission?
3. Who are the personnel composing the mission?
4. Are they officers of the active or the reserve army?
5. How long will the mission be away from Canada?

Mr. Baker: No military mission is being sent from Canada to India or Pakistan.

At the request of the united nations organization through the Department of External Affairs to Canadian army headquarters, four officers have been detailed to serve as members of the united nations Kashmir commission. The duties of this commission are to observe and supervise the cease-fire arrangements and the forthcoming plebiscite.

Brigadier A. V. Tremaine, retired.
Lt. Col. H. H. Angle, Supplementary Reserve.
Major W. H. L. Sellings, Reserve Force.
Major M. F. P. Vallee, Reserve Force.

These officers are expected to serve on the commission for approximately six months.

INCOME TAX—PROSECUTIONS IN 1948

Mr. Diefenbaker:

How many prosecutions have been taken or proceedings launched in connection with income tax evasion or for recovery of tax in each of the provinces during the year 1948?

Mr. McCann:

Number of prosecution proceedings taken or launched, January 1, 1948, to December 31, 1948, by taxation division, Department of National Revenue

	(1) For tax evasion	(2) For failure to file returns on demand	(3) For collection of tax arrears	(4) For failure to deduct and remit tax deductions at source	Total
P.E.I.	1	86	7	Nil	94
Nova Scotia	Nil	174	2	3	179
New Brunswick	1	58	25	Nil	84
Quebec	15	746	26	82	869
Ontario	23	1,563	125	46	1,757
Manitoba	Nil	56	8	1	65
Saskatchewan	2	47	10	4	63
Alberta	1	486	45	5	537
B.C. and Yukon	1	32	17	29	79
	44	3,248	265	170	3,727

(1) Under section 80 of the Income War Tax Act.
(2) Under section 41 of the Income War Tax Act.
(3) Under section 71 of the Income War Tax Act.
(4) Under section 92 of the Income War Tax Act.

INCOME TAX—FARMERS—NOVA SCOTIA

Mr. Nowlan:

1. In the province of Nova Scotia, is there a branch or section of the taxation division of the Department of National Revenue which deals largely or exclusively with income tax returns of farmers?
2. If so, how many persons are employed in the said branch or section?
3. In the year 1948, what was the total amount of money paid to the members of such branch or section for (a) salaries; (b) wages; (c) expenses?
4. In the year 1948, what was the amount of income tax paid by farmers in the province of Nova Scotia?

Mr. McCann:

1. Yes.
2. Eight.
3. (a) $20,231.00; (b) nil; (c) $943.45.
4. The taxation division does not maintain statistics of collections on an occupational basis. Statistical breakdown on an occupational basis is available only for the amount of tax assessed.

SAINT JOHN-WESTPORT-YARMOUTH—STEAMSHIP SERVICE

Mr. Nowlan:

1. Does the Saint John Marine Transports, Limited receive from the government of Canada any subsidy or subvention for operating a steamship service between Saint John, Westport, Yarmouth and other way ports?
2. If so, what was the total amount of money paid for such service or services in the year 1948?
3. What are the names of the ships engaged in such service?
4. What service is such company required to furnish in order to obtain such subsidy or subvention?

Questions

Mr. Chevrier:

1. Yes.
2. $31,500.
3. M/V *Standard Coaster.*
4. Service required: Seventy round trips to be made per year between Saint John, Westport and Yarmouth, calling on each trip both ways at Freeport and Tiverton, unless ice conditions prevent calls being made. The contractor is also required to handle all freight offering between Saint John and Wedgeport, either by steamer or truck, once a week during the period from April 1 to December 31.

Number of round trips per month are as follows:—

January, February, March and April (4 each)	—	16
May	—	7
June and July (8 each)	—	16
August	—	9
September	—	8
October	—	6
November and December (4 each)	—	8
Total		70

PRAIRIE FARM ASSISTANCE—LEVY ON GRAIN CHEQUES

Mr. Fair:

1. During each of the crop years 1939-40 to date, what amount has been collected by way of the one per cent levy on grain cheques under the Prairie Farm Assistance Act?
2. What amount has been paid out each year to farmers as bonus?

Mr. McCubbin:

1. Crop Year

1939-40	$ 2,421,507.37
1940-41	2,582,687.87
1941-42	1,459,753.70
1942-43	2,729,075.54
1943-44	4,714,706.78
1944-45	5,385,586.61
1945-46	3,426,358.40
1946-47	5,193,807.64
1947-48	4,413,365.07
1948-49 (Jan. 31, 1949)	7,660,172.35
	$39,987,021.33

2. Fiscal Year

1939-40	$ 9,453,461.62
1940-41	6,699,766.11
1941-42	13,680,742.87
1942-43	2,293,429.41
1943-44	6,158,263.26
1944-45	7,009,720.78
1945-46	16,483,322.86
1946-47	10,917,424.64
1947-48	16,795,448.27
1948-49 (Dec. 31, 1948)	4,763,240.95
	$94,254,820.77

[Mr. Nowlan.]

WHEAT—PRICES AND SALES DURING THE WAR

Mr. Fair:

1. Was an announcement made by the then Minister of Trade and Commerce (Hon. J. A. MacKinnon) during the latter years of the war, to the effect that the Canadian wheat board would sell wheat to all purchasers at a maximum price of $1.55 per bushel?
2. If so, how long was this offer effective?
3. What quantity of wheat was sold during such period?
4. What was the prevailing price in the United States at that time?

Mr. McIlraith:

1. Only in respect to export wheat.
2. From September 19, 1945, to July 31, 1946.
3. Export sales of 321,646,788-49 bushels.
4. There are a number of market quotations for wheat in the United States. As a guide, the following table shows monthly average cash prices for No. 1 dark northern spring wheat quoted on the Minneapolis grain exchange for the crop year 1945-46:

Month	No. 1 Dark Northern Spring wheat
1945	
Aug.	171.2
Sept.	168.6
Oct.	172.8
Nov.	173.1
Dec.	173.1
1946	
Jan.	173.6
Feb.	174.5
Mar.	176.5
Apr.	176.6
May	181.2
June	190.0
July	222.4

Ceiling prices on domestic wheat were in effect in the United States from August 1, 1945 to June 30, 1946.

WHEAT—PURCHASE BY U.S. FOR DISTRIBUTION IN EUROPE

Mr. Diefenbaker:

What is the total number of bushels and the total price of all Canadian wheat purchased by the United States for distribution under ERP or the Marshall plan since the first day of January, 1948?

Mr. McIlraith: The economic co-operation administration, the administrative agency for ERP or the Marshall plan, does not purchase wheat from Canada for distribution to countries in receipt of ECA grants or loans. Sales of Canadian wheat are made by the board to countries receiving ECA assistance but settlement is made with the board or its agents in the normal way. The extent to which ECA funds may be utilized is a matter entirely

between the recipient country and the economic co-operation administration.

The office of the administrator of ECA issues daily press releases which announce from time to time the granting of procurement and reimbursement authorizations. These announcements give an indication of the amount of ECA grants, according to recipient country, the commodity involved and the country of origin. The information contained in the releases, however, cannot be construed to be final, since many changes and modifications can and do occur between the time of granting procurement and reimbursement authorizations and the ultimate completion of the transaction.

VETERANS AFFAIRS—STUDENTS IN UNIVERSITIES AND TRADE SCHOOLS

Mr. Probe:

By universities and trade schools in Canada, how many veteran students have enrolled in each for courses, how many have graduated, how many are still in attendance and how many have discontinued courses for financial reasons?

Mr. Mutch: This question in its present form cannot be fully answered. The following table of statistics by departmental districts shows: in column (a), number of veterans who have received assistance in Canada under section 7 of the Veterans Rehabilitation Act; in column (b), number now receiving assistance under section 7; in column (c) number of veterans who have received assistance in Canada under sections 8 and 9 of the Veterans Rehabilitation Act:

District centre	(a)	(b)	(c)
Charlottetown..	888	25	352
Halifax	5,749	161	3,066
Saint John, N.B.	3,474	282	1,700
Quebec, Que. ..	2,217	112	362
Montreal	9,645	961	5,534
Ottawa	2,600	103	2,950
Kingston	2,000	71	1,000
Toronto	18,448	1,163	15,023
Hamilton	3,800	204	900
London	6,013	311	3,209
North Bay	1,178	53	543
Winnipeg	8,620	774	5,084
Regina	4,000	153	2,650
Saskatoon	2,340	192	2,100
Calgary	4,821	452	1,625
Edmonton	3,189	366	3,370
Vancouver	11,408	540	8,273
Total	90,390	5,923	57,741

*This figure includes more than 9,000 veterans who did not proceed to university from the pre-matriculation classes. Of approximately 48,000 veterans who enrolled under the act in Canadian universities, the following are receiving assistance under section 8 or 9:

University or College	Number
Prince Edward Island	
Prince of Wales college.....	21
St. Dunstan's college.....	18
Nova Scotia	
Acadia university.....	229
Dalhousie university.....	632
St. Francis Xavier university....	183
Nova Scotia Technical college....	145
Other Nova Scotia colleges.....	43
New Brunswick	
University of New Brunswick....	572
Mount Allison university.....	114
St. Joseph's university.....	8
St. Thomas college.....	6
Quebec	
Laval university.....	176
McGill university.....	3,078
Sir George Williams college.....	146
University of Montreal and affiliated colleges.....	239
Bishop's university.....	36
Loyola college.....	16
Ontario	
Carleton college.....	207
St. Patrick's college.....	30
Ottawa university.....	65
Queen's university.....	1,079
Osgoode Hall.....	402
Ontario College of Optometry....	176
Ontario College of Pharmacy.....	115
Ontario College of Art.....	315
University of Toronto.....	5,012
McMaster university.....	259
University of Western Ontario....	775
Assumption college.....	65
Waterloo college.....	26
Ontario Agricultural college.....	328
Ontario Veterinary college.....	317
Manitoba	
University of Manitoba and affiliated colleges.....	1,546
Saskatchewan	
University of Saskatchewan.....	1,431
Regina college.....	3
Alberta	
Mount Royal college.....	1
University of Alberta.....	1,622
British Columbia	
University of British Columbia....	3,089
Victoria college.....	37
Total	22,562

Questions

The difference between the total enrolled and those now enrolled—some 25,000—are no longer receiving assistance because of graduation, failure, entitlement under the act expired, or discontinuance for personal or other reasons.

The department has no record of the number, if any, of veterans who discontinued university training for purely financial reasons prior to the academic year 1947-48. In the academic year 1947-48, twenty-five veterans were unable to complete the year's work for this reason; of these, training had been authorized by the district office at Vancouver in 6 cases, at Saskatoon in 3, London 4, Toronto 4, Ottawa 1, Montreal 6, Halifax 1. A survey for the academic year 1948-49 is in hand and the result is expected shortly.

The department has no record of the number, if any, of veterans who have discontinued vocational training for purely financial reasons.

CUSTOMS DUTIES—RICE DODDER MILLS

Mr. Matthews (Kootenay East):

What are the correct customs charges on Rice dodder mills imported into Canada?

Mr. McCann: "Rice" dodder mills are classified under tariff item 427a at 10 per cent ad valorem, most-favoured-nation tariff.

The electric motors for operating such mills are rated for duty under tariff item 445g at 22½ per cent ad valorem, most-favoured-nation tariff.

VALCARTIER ARSENAL—PERSONNEL

Mr. Lennard:

1. What is the personnel in charge of the arsenal at Valcartier?

2. How many of this personnel have had overseas service?

Mr. Howe: My officers report that this question as worded is ambiguous. It reads: "What is the personnel in charge of the arsenal at Valcartier?" The person in charge is only one person. I take it that the question applies to more than one; but whether it applies to the management group or to the entire personnel of the establishment is something we should like to have made clear. Perhaps my hon. friend will agree to have it dropped and reworded.

Mr. Speaker: Dropped.

ROYAL NAVY PERSONNEL SERVING WITH CANADIAN NAVY

Mr. Lennard:

How many officers and ratings of the Royal Navy are at present serving with the Royal Canadian Navy (a) ashore; (b) afloat?

[Mr. Mutch.]

Mr. Baker:

	Officers	Men
(a) Ashore	6	23
(b) Afloat	2	9

INCOME TAX—EMPLOYEES

Mr. Shaw:

How many employees were engaged in the Department of National Revenue (Income Tax Division) on the following dates: (a) January 1, 1939; (b) January 1, 1945; (c) January 1, 1949?

Mr. McCann:

Employees on strength of taxation division, Department of National Revenue, as of:

(a) January 1, 1939— 1,262
(b) January 1, 1945— 6,084
(c) January 1, 1949—11,687

RADIO BROADCASTING—LICENCES FOR RECEIVING SETS

Mr. Ross (St. Paul's):

1. How many radio receiving licences were issued in Canada by provinces (a) from April 1, 1947 to March 31, 1948; (b) from April 1, 1948 to January 31, 1949?

2. How many prosecutions were instituted by provinces from (a) April 1, 1947 to March 31, 1948; (b) April 1, 1948 to January 31, 1949?

3. How many convictions by provinces were obtained during each period as above?

4. How many radio receiving licences were issued free of charge by all provinces during each of the above mentioned periods?

5. How many radio receiving set owners were there in Canada by provinces during each period, as above?

Mr. Chevrier:

1.	April 1, 1947, to March 31, 1948	April 1, 1948, to January 31, 1949
Nova Scotia	91,940	96,986
New Brunswick	68,484	73,224
Prince Edward Island	12,173	11,128
Quebec	534,797	548,218
Ontario	677,299	686,116
Manitoba	118,823	122,198
Saskatchewan	135,095	151,452
Alberta	131,849	129,663
British Columbia	173,097	178,519
Yukon and N.W.T.	470	375

2.	April 1, 1947, to March 31, 1948	April 1, 1948, to January 31, 1949
Nova Scotia	711	1,059
New Brunswick	297	314
Prince Edward Island	182	53
Quebec	2,172	1,493
Ontario	8,791	7,936
Manitoba	385	355
Saskatchewan	606	461
Alberta	677	623
British Columbia	269	230

Questions

3.

	April 1, 1947, to March 31, 1948	April 1, 1948, to January 31, 1949
Nova Scotia	580	763
New Brunswick	271	266
Prince Edward Island	167	49
Quebec	2,007	676
Ontario	7,744	3,813
Manitoba	354	258
Saskatchewan	553	393
Alberta	639	404
British Columbia	233	129

4.

	April 1, 1947, to March 31, 1948	April 1, 1948, to January 31, 1949
Nova Scotia	914	638
New Brunswick	503	347
Prince Edward Island	91	85
Quebec	2,203	1,878
Ontario	4,786	4,374
Manitoba	1,071	770
Saskatchewan	927	691
Alberta	1,021	788
British Columbia	1,119	1,070
Yukon	6	35

5. No satisfactory data available on which to base accurate estimate.

PATENT OFFICE—EMPLOYEES—REGISTRATION OF PATENTS, ETC.

Mr. Menary:

1. How many people are employed by the patent office department?
2. What are the wages of the top three?
3. What are the total wages?
4. How many patents have been registered in Canada to Canadians?
5. How many to others outside of Canada?
6. How many patents are being used in manufacturing in Canada?
7. How many patents are registered and not used in Canada?
8. How long can a patent remain inactive before it is cancelled?
9. How often are they supervised for the purpose of eliminating those that are not active?

Mr. Gibson (Hamilton West):

1. 126.

2. Commissioner of patents, $8,000; assistant commissioner of patents, $5,160; patent examiner grade 6, $5,400 per annum.

3. $26,406.64. Total salary of staff for January, 1949.

4. 6,102.

5. 76,360.

6. No information.

7. No information.

8. Patents are not cancelled. They remain in force for the life of a patent which is seventeen or eighteen years (the act of 1935 reduced the life of a patent to seventeen years) but may be voided by an order of the court (section 60 of the Patent Act) or revoked by an order of the commissioner (section 65(d) of the Patent Act).

9. Answered by No. 8.

RURAL MAIL DELIVERY NORTH OF ST. CATHARINES, ONT.

Mr. Lockhart:

1. Has any recent survey been made covering the possible extension of rural mail delivery north of St. Catharines, Ontario, presently only served by R.R. No. 2?
2. If so, what has been the increase in population during the past five years?
3. Are any extensions of rural delivery being considered in this area?
4. If so, what extensions are being contemplated?

Mr. Bertrand (Laurier):

1. Yes.

2. No record.

3. Yes.

4. Extension to serve residents north of St. Catharines.

MERRITTON AND NIAGARA-ON-THE-LAKE, ONT., POSTAL SERVICE

Mr. Lockhart:

1. What was the surplus in the Post Office Department during each of the years, 1944, 1945, 1946, 1947 and 1948?
2. What was the postal revenue in each of the towns of Merritton and Niagara-on-the-Lake, Ontario, during the past year?
3. Are postal facilities in these towns considered adequate?
4. If not, what steps are being taken by the department to improve these facilities?

Mr. Bertrand (Laurier):

1.

1943-44	$12,585,910.72
1944-45	11,442,534.82
1945-46	10,905,913.40
1946-47	8,773,574.41
1947-48	9,827,491.76

2.

Merritton, Ontario	$16,558.49
Niagara-on-the-Lake, Ontario	17,396.72

3 and 4. Postal facilities in Merritton are not entirely satisfactory. It is agreed that the premises should be improved and consideration is being given to the erection of a new public building.

As regards postal facilities in Niagara-on-the-lake, the building is old and in need of repair. A renewal of the lease was recommended to the Department of Public Works on the understanding that the premises be thoroughly cleaned and redecorated. The lease was renewed by Public Works department for a period of two years from April 1,

Questions

1948. Representations have been received that this office is extremely congested and inquiry is being made in this regard.

AUTOMOBILES AND TRUCKS—DUTIES AND TAXES ON IMPORTS

Mr. Probe:

What rates of import duty, dumping duty, excise tax, or special impost of any kind were in effect in 1947, 1948 and 1949, for automobiles and trucks of American and of British manufacture?

Mr. McCann:

Automobiles

From Great Britain:

Customs duty, free.

Sales tax, 8 per cent.

Excise tax:

From 1st Jan. 1947 to 17th Nov., 1947, 10 per cent.

From 18th Nov., 1947 to 31st July, 1948, valued for tax purposes at $1,200 or less, 25 per cent.

Valued for tax purposes at over $1,200 to $2,000, 25 per cent on $1,200; 50 per cent on value in excess of $1,200.

Valued for tax purposes at over $2,000, 25 per cent on $1,200; 50 per cent on $800; 75 per cent on value in excess of $2,000.

From Aug. 1, 1948 to date, 10 per cent.

From United States:

Customs duty, 17½ per cent.

Sales tax, 8 per cent.

Excise tax:

From 1st Jan., 1947 to 17th Nov., 1947, 10 per cent.

From 18th Nov., 1947 to 31st July, 1948, valued for tax purposes at $1,200 or less, 25 per cent.

Valued for tax purposes at over $1,200 to $2,000, 25 per cent on $1,200; 50 per cent on value in excess of $1,200.

Valued for tax purposes at over $2,000, 25 per cent on $1,200; 50 per cent on $800; 75 per cent on value in excess of $2,000.

From Aug. 1, 1948 to date, 10 per cent.

Trucks

From Great Britain:

Customs duty, free.

Sales tax, 8 per cent.

Excise tax:

Not applicable.

From United States:

Customs duty, 17½ per cent.

Sales tax, 8 per cent.

Excise tax:

Not applicable.

Special or dumping duty is the difference between the value for duty purposes and the selling price to the purchaser in Canada, exclusive of all charges thereon after shipment from the place whence exported directly to Canada, but not to exceed 50 per cent of the value for duty purposes.

This duty was suspended until 30th September, 1947, under the War Measures Act, but was applicable from the 1st October, 1947, to 18th May, 1948, when it was again suspended by order in council passed under section 6 of the Customs Tariff.

INCOME TAX—TEACHERS

Mr. Winkler:

Have any requests been received from organizations, and if so, from whom, asking for the same exemption from income tax for teachers for whom free teacherage was provided, as has been asked for by clergymen on the value of the manse or parsonage provided by the church?

Mr. McCann: Yes—one request from the Manitoba teachers society, Winnipeg.

RADIO BROADCASTING—LICENCES FOR RECEIVING SETS—PROSECUTIONS

Mr. Church:

1. How many people were prosecuted for failure to have a radio licence in Toronto for the past four years?

2. How many in Ottawa and Hull, for the same time and purpose, were so prosecuted?

3. Who conducts these prosecutions?

4. Is it the crown attorney or a special prosecutor, and at what cost?

Mr. Chevrier:

	1945-46	1946-47	1947-48	1948-49 to January 31
1.	869	1,974	1,032	1,188
2. Ottawa .	335	373	287	306
Hull ...	30	34	92	25

3. Department of Transport radio inspectors.

4. See answer to No. 3.

VETERANS AFFAIRS—PENSIONS—MEDICAL RE-EXAMINATIONS

Mr. Fraser:

1. Since March 31, 1948, how many veterans receiving pensions have been called in for a medical re-examination?

2. What are the figures for each month, up to and including January, 1949?

3. How many of these disability pensions were not increased?

4. How many were decreased?

5. How many were discontinued altogether?

Mr. Mutch:

1. 42,756.

2. April, 5,537; May, 4,876; June, 4,319; July, 4,646; August, 4,160; September, 4,856;

October, 5,353; November, 3,930; December, 5,079; total, 42,756 (figures for January, 1949, not yet available).

3. 28,783 (continued at former rate).
Note: 6,206 were increased.

4. 6,022.

5. 1,745, no assessable disability having been found on re-examination, but entitlement continues.

LYLETON., MAN., CUSTOMS BUILDING

Mr. Ross (Souris):

1. When was the contract for customs building southwest of Lyleton, Manitoba, let?
2. Has the building been completed?
3. Who was the contractor?
4. Was the contract on a cost plus basis?
5. What was the total cost?
6. What accounts, and for how much, are still outstanding?

Mr. McCann:

1. Foundation contract let October 14, 1947. Superstructure contract, January 14, 1948.

2. Yes.

3. Contractor—L. J. Geddes, Gainsborough, Sask. Subcontractor—F. Stratford, Lumsden, Sask.

4. Contract for basement and sewage disposal system on straight contract basis, and contract for superstructure on time and material basis, plus 10 per cent.

5. Total cost of combination office and residence including garage, sewage disposal and landscaping, $16,605.92.

6. One account with Brandon Sign & Stamp Works for $48 is still outstanding, pending settlement on correction to sign.

COST OF PRICES INVESTIGATIONS

Mr. Thatcher:

What was the total cost to the taxpayers of (a) the parliamentary prices committee; (b) the royal commission on prices?

Mr. Reid: As of January 31, 1949, $88,298.78.

WHEAT—PAYMENT ON DELIVERIES, 1945-48 CROPS

Mr. Ross (Souris):

1. Will a further payment be made during 1949 on wheat delivered from the 1945, 1946, 1947 and 1948 wheat crops?
2. If so, how much per bushel?

Mr. Howe: This question refers to a matter of government policy which will be announced in due course.

Mr. Speaker: Answered.

LABOUR CONDITIONS—UNEMPLOYMENT

Mr. Gillis:

1. What is the total labour force in Canada by provinces?

2. By provinces, how much of the labour force is in each of the following age groups: (a) under twenty-five years; (b) 25-34 years, inclusive; (c) 35-44 years, inclusive; (d) 45-54 years, inclusive; (e) 55-64 years, inclusive; (f) 65-69 years, inclusive; (g) 70 years and over?

3. What is the total unemployment in Canada, by provinces?

4. By provinces, how many unemployed are there in each of the age groups listed in question 2?

Mr. Cote (Verdun):

1. Total estimated labour force, excluding members of the armed forces, based on the last sample survey made by the Dominion Bureau of Statistics on November 20, 1948:

Province	Estimated Labour Force (14 years and over)
Prince Edward Island	35,000
Nova Scotia	229,000
New Brunswick	178,000
Quebec	1,390,000
Ontario	1,750,000
Manitoba	302,000
Saskatchewan	322,000
Alberta	321,000
British Columbia	437,000
Canada	4,964,000

2.

Province	Age Groups 14-19	20-24	25-44	45-64	65 and over	Total
Prince Edward Island	5,000	4,000	15,000	8,000	3,000	35,000
Nova Scotia	23,000	34,000	103,000	55,000	14,000	229,000
New Brunswick	21,000	29,000	78,000	42,000	8,000	178,000
Quebec	189,000	225,000	618,000	313,000	45,000	1,390,000
Ontario	174,000	235,000	758,000	490,000	93,000	1,750,000
Manitoba	35,000	40,000	132,000	81,000	14,000	302,000
Saskatchewan	34,000	49,000	135,000	84,000	20,000	322,000
Alberta	33,000	46,000	140,000	85,000	17,000	321,000
British Columbia	35,000	56,000	194,000	128,000	24,000	437,000
Canada	549,000	718,000	2,173,000	1,286,000	238,000	4,964,000

Note: Figures are available only for the age groups given above.

Questions

3. Estimated unemployment, based on sample survey, as of November 20, 1948:

Region	Estimated Unemployed Persons
Prince Edward Island	1,000
Nova Scotia	10,000
New Brunswick	7,000
Quebec	30,000
Ontario	25,000
Manitoba	7,000
Saskatchewan	6,000
Alberta	6,000
British Columbia	14,000
Canada	106,000

4. Estimated distribution unemployed by age groups as of November 20, 1948, for Canada as a whole:

Age Groups	Estimated Unemployed Persons
14-19	26,000
20-24	20,000
25-44	37,000
45-64	18,000
65 and over	5,000
All ages	106,000

Note: Data on number of unemployed persons available only for age groups given above and for Canada as a whole.

TORONTO JAIL FARM

Mr. Church:

1. On what date did the government secure a lease on the Toronto jail farm at Langstaff, Yonge street, from whom and for what use and purpose?
2. When will it be given back to the city?
3. What department of the Ontario government leased it to the federal government, and when?
4. Who built the jail farms at Langstaff, for men, and at Concord, for women, prisoners of Toronto; how did the city of Toronto part with it or lease it, and to whom and for what purposes?

Mr. Reid:

1. The federal government has not leased this property.

2, 3 and 4. See answer to No. 1.

INCOME TAX—CHARTERED BANKS—ADVERTISING

Mr. Knowles:

1. Are chartered banks permitted to make deductions for income tax purposes with respect to expenditures made in advertising their annual statements?
2. Are such deductions permitted when these annual statements include political propaganda?
3. Are chartered banks permitted to make deductions for income tax purposes with respect to expenditures made in connection with miscellaneous advertisements setting out the alleged virtues of private ownership of chartered banks?

Mr. McCann:

1. In common with other corporations, chartered banks are permitted to deduct from gross revenue all reasonable operating expenses before arriving at net taxable income. Advertising is considered to be such an operating expense.
2. See answer to No. 1.
3. See answer to No. 1.

UNEMPLOYMENT INSURANCE COMMISSION—RENTAL COSTS IN VARIOUS CITIES

Mr. Knowles:

What rent per square foot is paid by the unemployment insurance commission for its offices in Toronto, Windsor, Sudbury, Fort William, Sioux Lookout, Winnipeg, Regina, Calgary and Vancouver?

Mr. Fournier (Hull):

Place	Rate per square foot
Toronto	
Brock building	$ 1.65
174 Spadina avenue	.51
10 Shuter street	1.50
2822-6 Dundas street west	1.60
Spadina and Grange avenue	.60
Carty building	1.35
Windsor	
Coral Gables	.42
Sudbury	
154 Elm street	.88
Fort William	
Public building	Government-owned building
Sioux Lookout	
39 King street	4.08
Winnipeg	
Maw block	.81
Jacob-Crowley building	1.63
Hamilton building	1.74
211 Portage avenue	2.15
Travellers building	.91
Regina	
Merchants Bank building	1.25
Merchants Bank building	1.19
Gilmour building	.73
Co-op block	1.30
Calgary	
Traders building	Government-owned building
Vancouver	
Adam building	1.24
I.O.O.F. hall	2.50
556 Granville street	.48
475 Howe street	2.32
475 Howe street	1.73
Stock Exchange building	2.01
Stock Exchange building	2.03
Stock Exchange building	2.73
1145 Robson street	1.75
2632 Main street	.82
2637 Hastings street east	.66

INDIAN LANDS—RENTAL OF TIMBER RIGHTS

Mr. Probe:

1. Is there a uniform basis for fixing the rentals obtained by the Canadian government on timber rights on Indian lands all across Canada? If so, what is that basis?

2. If not, what rates are charged on each timber limit on Indian lands rented by the Canadian government?

Mr. Maybank:

1. Yes. Ground rentals are fixed by regulation, the rate of rental being $5 per square mile except in British Columbia where the rate is 20 cents per acre.

2. Timber over the value of $500 is offered for sale by public tender on a stumpage or royalty basis at the minimum rates prevailing in the district in which the timber lies and is awarded to the highest bidder.

HOUSE OF COMMONS DEBATES—REQUESTS FOR DISTRIBUTION TO SCHOOLS

Mr. Knowles:

1. Have there been any requests for the sending of *Hansard* for the current session to schools or school libraries on a complimentary basis?

2. If so, how many requests have been received, and whence have they come?

3. Have such requests been met?

4. How many copies of the daily edition of *Hansard* are now being printed?

Mr. Gibson (Hamilton West):

1. No.

2 and 3. Answered by No. 1.

4. House of Commons Debates: English, 11,048; French, 2,496; total, 13,544.

UNEMPLOYMENT INSURANCE—YUKON AND THE NORTHWEST TERRITORIES

Mr. Knowles:

Are the provisions of the Unemployment Insurance Act implemented in full with respect to persons residing in (a) the Yukon; (b) the Northwest Territories?

Mr. Cote (Verdun):

(a) Yes; (b) yes.

CANADIAN MISSION IN BERLIN—REPATRIATION OF CANADIANS

Mr. Thatcher:

1. Has the Canadian government a military or civilian mission still functioning in Berlin?

2. If so, what size and for what purpose?

3. What was the cost of maintaining such mission last year?

4. Does the mission come under the Department of National Defence or the Department of External Affairs?

5. How many Canadians, if any, were repatriated during 1947 by the mission?

Mr. Pearson:

1. Yes, a military mission.

2. Ten employees. Its purpose is to represent the Canadian government and to protect and maintain interests in Germany.

3. $52,136.34 for the calendar year 1948.

4. Department of External Affairs.

5. Nine.

NATIONAL PARKS—P.E.I.—ROAD AND BRIDGE CONSTRUCTION

Mr. McLure:

1. How many miles of highway were constructed in the national park area on Prince Edward Island during the year 1948?

2. Where did this road start from and where did it finish?

3. Was this highway built by contract or by day's labour?

4. If by contract, who were the contractors?

5. If by day's labour, who was the foreman of the work?

6. What was the cost per mile?

7. What were the total costs of this road construction up to December 31, 1948?

8. What steps are being taken by the department to continue this national park road construction from Rustico harbour via Robinsons island to Tracadie?

9. Will a bridge be built from Rustico harbour to Robinsons island?

10. Has an estimate been made for the construction of this national park roadway from Rustico to Tracadie?

Mr. Maybank:

1. 7·6 miles.

2. From Rustico to New London bay.

3. Contract.

4. H. E. Phillips, Charlottetown.

5. Answered by No. 3.

6. Approximately $10,000.

7. $75,500.

8. Reconnaissance survey has been made from Covehead harbour to Rustico by way of Brackley Beach and Robinsons island, a distance of 8·6 miles. The construction of this section is being considered.

9. Final plans not completed.

10. No.

FAMILY ALLOWANCES AND OLD AGE PENSIONS—ALBERTA

Mr. Dechene:

1. What was the amount of family allowances paid in 1948 in the province of Alberta?

2. What was the amount of the dominion's share of old age pensions paid in 1948 in the province of Alberta?

Mr. Reid:

1. For fiscal year ending March 31, 1948, $18,225,052.

2. For fiscal year ending March 31, 1948: Old age pensions, $3,466,114.21; blind pensions, $81,255.50; total, $3,547,369.71.

SUBSIDIES AND SCHOOL LANDS FUND—ALBERTA

Mr. Dechene:

1. What was the amount of subsidy paid by the dominion government to the province of Alberta in 1948 in lieu of income taxes and succession duties under the dominion-provincial tax agreement?

Questions

2. What other subsidies were paid to the province of Alberta in 1948 and what were their amounts?

3. What was the amount of interest paid to the province of Alberta by the dominion government in 1948 on the school lands fund?

Mr. Belzile:

Fiscal year ended March 31, 1948

1. Compensation under the Dominion-Provincial Tax Rental Agreements Act, $9,903,880.44.

2. Compensation under the Dominion-Provincial Taxation Agreement Act, 1942 (payment of deductions under sections 11, 12 and 15), $3,278,844.28; provincial subsidy, $2,241,516.60; payment under the Western Provinces Treasury Bills and Natural Resources Settlement Act, $8,031,250.

3. $382,582.76.

TAXES COLLECTED BY FEDERAL GOVERNMENT FROM PROVINCES—PURCHASES OF U.S. FUNDS

Mr. Low:

1. What was the total of the following taxes and items collected by the federal government from each of the provinces for the years 1947 and 1948: (a) income tax—personal; (b) income tax—corporation; (c) excess profits tax; (d) succession duties; (e) royalties; (f) dividends; (g) interest?

2. What firms and individuals have purchased United States dollar exchange since the Foreign Exchange Control Act came into force and what were the total sums purchased by each over the period?

Mr. Sinclair: As to part 2 of this question, the answer would be extremely long and would take considerable time to prepare. I have discussed the matter with the hon. member, and he has agreed to drop part 2 and submit it in amended form later.

Mr. Speaker: Dropped.

Mr. Sinclair: As to part 2.

Mr. Speaker: Part 2 dropped. The rest of the question stands.

JUDGES—DISTRICT OR COUNTY COURTS—PRINCE ALBERT DISTRICT

Mr. Diefenbaker:

1. How many vacancies are there on the district court or county court bench in each of the provinces?

2. Of these, how many have continued for a longer period than two years?

3. When did the vacancy take place in the Prince Albert, Saskatchewan, judicial district and why has the appointment not been made?

Mr. Garson:

1. Ontario, 4; Manitoba, 1.

2. One—Essex county, Ontario.

3. January 1, 1947. This vacancy has now been filled.

[Mr. Dechene.]

AIR MAIL—REGULATIONS AS TO FIRST-CLASS MATTER—USE OF FRANK

Hon. Ernest Bertrand (Postmaster General): On Monday, January 31, I was asked a question by the hon. member for Red Deer (Mr. Shaw) about air mail transport, and I said that I would give an answer in a few days. The answer is as follows:

In reply to an inquiry made by the hon. member for Red Deer on Monday, 31st January, respecting the transport of first-class mail by air, may I say that I can find no evidence of widespread confusion as to the practical application of regulations governing the air transport of first-class mail.

For the benefit of the hon. member, however, I shall describe air mail service as existing in Canada at this time. There is, first of all, what has been called "all-up" air mail, which was introduced in July last. This "all-up" service involves the carriage at normal letter rates of postage of all letters mailed in Canada for delivery in Canada weighing not more than one ounce.

There is also air mail service at surcharged rates for letters weighing over one ounce for delivery in Canada and for all letters to be sent by air to points outside of Canada.

Finally, there is air stage mail consisting of mail posted at, or addressed for delivery at, post offices in outlying districts in Canada where the service is performed entirely by air. Here, too, special air mail rates apply.

As to that portion of his question dealing with the franking of letters, may I say to the hon. member that the right of free postage for air conveyance applies only to letters not exceeding one ounce in weight for delivery in Canada. It does not apply to mail requiring air mail surcharges. In other words the franking privilege does not apply on letters weighing over one ounce intended for air conveyance within Canada, to letters mailed at or addressed for delivery at post offices served by air stage services, or to letters addressed to points outside of Canada.

QUESTIONS PASSED AS ORDERS FOR RETURNS

IMMIGRATION—DISPLACED PERSONS—EXAMINATION CENTRES

Mr. Timmins:

1. What number of immigrants came into Canada in 1948 and from what countries?

2. How many of these were D.P.'s?

3. How many immigration centres or examination centres has Canada in Great Britain and in Europe and in what countries?

4. How many doctors are engaged full time in examination work and in what centres?

5. How many persons are engaged full time in immigration work for Canada in (a) Great Britain; (b) on the continent?

EXPORTS AND IMPORTS—CANADA AND STERLING AREAS, 1946-47-48

Mr. Timmins:

1. What was the value of Canadian exports to each of the sterling area countries in (a) 1946; (b) 1947; (c) 1948?
2. What was the value of imports from each of the sterling area countries in (a) 1946; (b) 1947; (c) 1948?

Mr. McIlraith: Return tabled.

SUBSIDIES ON VARIOUS COMMODITIES, 1946-47-48

Mr. Timmins:

What amount was paid in subsidies in each of the years 1946, 1947 and 1948 in respect to the following commodities: (a) agricultural products; (b) foodstuffs; (c) wearing apparel or textiles; (d) all other commodities?

HOUSING—CONSTRUCTION THROUGH CERTAIN AGENCIES IN 1948

Mr. Timmins:

1. How many houses or housing units were erected and completed in the year 1948, by provinces, in co-ordination with the following agencies: (a) Veterans' Land Act; (b) Wartime Housing Limited; (c) Integrated Housing; (d) Special plans under National Housing Act; (e) by private builders or any other means?
2. Under the rental insurance plan, how many projects were started in 1948, and in what provinces?
3. What was the total of houses or housing units built in 1948 under the above?

NATIONAL FILM BOARD—PHOTOGRAPHS, 1948

Mr. Fraser:

1. How many stills or photographs were taken, developed and printed by the national film board during the year 1948?
2. What size were these stills?
3. How many were sold and at what prices were these different sizes sold?

Mr. Winters: Return tabled.

IMMIGRATION—DISPLACED PERSONS, NORTHERN QUEBEC MINING AREAS

Mr. Caouette:

1. How many D.P. immigrants have settled in the northwestern Quebec mining area?
2. By what mining company are these people employed?
3. What mining companies have applied to the government for foreign labour?
4. Are other displaced persons from Europe to settle in the northern Quebec mining areas? If so, with what Abitibi mining companies will they be employed?
5. Have the northwestern Quebec mining companies made application to employ displaced persons since June, 1948?
6. If so, what companies, and how many has each company asked for?
7. Has the Quebec provincial government at any time made official or unofficial representations to the dominion government against mass immigration of displaced persons to Quebec?
8. If so, what are the terms of such representations?

PARK STEAMSHIP COMPANY—SALE OF SHIPS

Mr. Hazen:

1. How many 10,000-ton ships, and how many 4,700-ton ships owned by or registered in the name of the Park Steamship Company have been sold?
2. What was the name and tonnage of each ship sold?
3. How much did each of these ships cost to build?
4. Who purchased each of these ships and what was the price paid?
5. In cases where the purchaser was a company, where is the head office of the company located, and who are its officers and directors?
6. How many of the ships that were sold have been delivered to the purchasers and how many remain to be delivered?
7. In how many cases, if any, was a mortgage given by the purchaser to secure part of the purchase price?
8. What are the names of the ships that have been mortgaged, the date of the mortgage, the amount of the mortgage, and the name of the mortgagee in each case?
9. Have any of these ships, that were sold, been re-sold by the purchaser? If so, what ships have been re-sold, who sold them, who purchased them, and what was the price in each case?
10. Has the purchase price on all these re-sales been paid; who holds the money received; the vendor or the Canadian maritime commission?
11. Have the purchasers or companies who re-sold these ships commenced to have other ships built in their place? If so, where are the new ships being built, what is their tonnage and contract price?
12. How many ships of the Park Steamship Company have not been sold?

PRAIRIE FARM ASSISTANCE—SASKATCHEWAN

Mr. Diefenbaker:

1. What was the total amount of expenditures that were made under the P.F.R.A. in Saskatchewan during the year 1948?
2. What was the amount expended in each of the electoral divisions of Saskatchewan?

INSPECTION BOARD OF CANADA

Mr. Lennard:

1. How many people were in the employ of the inspection board of Canada on January 1, 1948, and what are their salaries?
2. Who is the chairman of the board; who are the directors of the different departments of this board and what are their salaries?
3. What are their duties at the present time?
4. Have any new appointments been made to the board since January 1, 1947?
5. If so, had these appointees seen overseas service?
6. What was the total cost of operating this board from January 1, 1947, to January 1, 1948?

EXPORTS AND IMPORTS—1946-48—EXPORT OF CANNED MEATS

Mr. Ashby:

1. What was the total value of all exports from Canada in 1946, 1947, 1948?
2. What was the total value of all imports to Canada in 1946, 1947, 1948?
3. What was the total value of all canned meats exported from Canada in 1946, 1947, 1948?
4. What were the names of all companies and/or individuals or associations who exported these canned meats?

5. Who were the purchasers of these canned meats?
6. Did the Canadian government grant any financial assistance to the exporters or purchasers of Canadian goods exported in 1946, 1947, 1948?
7. If so, to whom and what amounts?

AUTOMOBILES AND TRUCKS—DUTIES AND TAXES ON IMPORTS

Mr. Burton:

1. How many automobiles and trucks were imported from Great Britain during the calendar year, 1948?
2. To what value in each price range?
3. What amount of duty, sales tax, excise taxes and other taxes was collected on each price range of such imports?
4. What was the price in Great Britain of each type of automobile and truck imported during the above period?
5. On what price for each type of automobile and truck were above-mentioned taxes assessed?

PUBLIC SERVICE—NUMBER OF EMPLOYEES, SALARIES, ETC.

Mr. Ross (St. Paul's):

1. What was the total number of employees of the government of Canada, including employees of boards, commissions, and corporations appointed by the federal authority as of January 31, 1949?
2. What was the total amount of the salaries, wages and allowances paid to such employees in the month of January, 1949.

HOUSING—SERVICE PERSONNEL

Mr. Probe:

1. What Canadian centres of 25,000 population or over contain military establishments (army, navy and air force combined) in excess of 100 persons?
2. In which of these centres have permanent housing for military personnel been authorized and to what numbers of units?
3. In what centres have no housing units been authorized to date?

HARRISONS & CROSFIELD (CANADA) LTD.—PURCHASES OF DANISH BUTTER

Mr. Hazen:

1. Are Harrisons & Crosfield (Canada) Ltd., still associated with Commodity Prices Stabilization Corporation Ltd.? If so, in what capacity are they acting and on what basis are they being remunerated?
2. Have Harrisons & Crosfield (Canada) Ltd. acted in any capacity for Canadian Commercial Corporation? If so, in what capacity and on what basis and what is the total remuneration paid them by the said corporation to date?
3. What amount of commissions was paid by the Commodity Prices Stabilization Corporation Ltd. to Harrisons & Crosfield (Canada) Ltd. for their services each year 1943 to 1948 inclusive?
4. Did Canadian Commercial Corporation engage the services of Harrisons and Crosfield Ltd. of London, England? If so, on what basis and what amount of remuneration was paid and/or is due them from January 1, 1948 to date?
5. What was the total value of goods bought by Commodity Prices Stabilization Corporation Ltd. and Canadian Commercial Corporation from or through Harrisons & Crosfield Ltd. of London, England, acting as principals, agents or brokers, or in any other capacity, each year 1947 and 1948?
6. What amount of offshore goods did Commodity Prices Stabilization Corporation Ltd. buy through trade channels, other than from or through Harrisons & Crosfield Ltd., or their branches and associate companies, each year 1943 to 1948 inclusive?
7. What was the amount of the Harrisons & Crosfield (Canada) Ltd. expense account which was required to be kept for expenses incurred exclusively in connection with the business of Commodity Prices Stabilization Corporation Ltd. each year 1943 to 1948 inclusive?
8. What was the total quantity of Danish butter purchased by Canadian Commercial Corporation during 1948 and on the basis of what has already been delivered, what was the cost per 100 lbs. in detail, including duty, inland freight and all other charges from point of origin to principal Canadian destinations and packed in proper saleable condition to offer to the general public?
9. Through what company or companies, organization or organizations overseas did Canadian Commercial Corporation purchase Danish butter and on what basis did said company or companies, organization or organizations, receive remuneration for their services?

VETERANS AFFAIRS—KIRKFIELD PARK, MAN., PROPERTY

Mr. Ross (Souris):

1. When was the land in Kirkfield Park, Manitoba, purchased for Department of Veterans Affairs buildings?
2. How much land, and at what price?
3. When were buildings constructed and at what cost?
4. Have these buildings and land been disposed of?
5. If so, at what price?

RADIO BROADCASTING—C.B.C. TORONTO STAFF

Mr. Church:

1. Who comprise the staff of the Canadian Broadcasting Corporation in the city of Toronto, what are their salaries and all other emoluments?
2. How many were brought in from other places and given work in Toronto by the corporation since 1945?
3. Who are the chief officers of the corporation in Toronto, what are their salaries, travelling expenses and all other emoluments?

Mr. McCann: Return tabled.

FOOD—PRODUCTION, 1940-48, AND SHIPMENTS TO BRITAIN

Mr. McCullough (Assiniboia):

1. What was the annual production in Canada for each of the following commodities for the years 1940 to 1948 inclusive: beef, butter, pork, cheese and wheat?
2. What were the amounts of agriculture products under contract to sell to Britain for each of the years between 1940 and 1948 inclusive?
3. In each case, how much was actually shipped to Britain under such contracts?

IMPORTS OF BUTTER

Mr. MacInnis:

1. How much butter was imported by Canada (a) from New Zealand; (b) from Denmark, in the calendar year 1948?
2. How does the butter arrive in Canada, in labeled packages for retail sale or in bulk?
3. If packaged in Canada, are the wrappers labeled with the name of the country of origin, when sold to the retail trade?

LEGAL SERVICES—CHICOUTIMI AND LAKE ST. JOHN-ROBERVAL COUNTIES

Mr. Gagnon:

1. What are the names of the lawyers and notaries residing in the counties of Chicoutimi and Lake St. John-Roberval who have acted as agents for the different departments or boards of the federal government during the years 1945 to 1948?

2. What amount of fees has been paid annually to each of them?

MOTIONS FOR PAPERS

AGRICULTURAL PRICES SUPPORT BOARD—MARITIME PROVINCES—STARCH AND POTATOES

Mr. Hatfield:

For a copy of all correspondence and telegrams exchanged between the agricultural prices support board and manufacturers of starch, also between the agricultural prices support board and the departments of agriculture for New Brunswick, Nova Scotia and Prince Edward Island for the years 1946 and 1947 regarding the starch program and potato support program.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Gardiner: Agreed, if we receive the consent of the provinces.

Mr. Speaker: Carried, with the reservation made by the minister.

AGRICULTURAL PRICES SUPPORT BOARD—MARITIME PROVINCES—POTATOES

Mr. Hatfield:

For a copy of all correspondence, telegrams and statements which passed between the agricultural prices support board and all/or any persons in the provinces of New Brunswick, Nova Scotia or Prince Edward Island regarding the support program on potatoes for the years 1946 and 1947, 1948 and 1949.

AGRICULTURAL PRICES SUPPORT BOARD—POTATOES

Mr. Hatfield:

For a copy of all minutes of all meetings held in Ottawa, Saint John or Moncton in regard to the potato support program of the agricultural prices support board, during 1948 and 1949.

Mr. Hatfield:

For a copy of all correspondence, telegrams and agreements, exchanged between Washington and Ottawa by the agricultural prices support board and the Department of Trade and Commerce regarding potatoes, potato support program and embargoes for the years 1948 and 1949.

Mr. Howe: This motion refers to the production of correspondence between the government of the United States and the government of Canada. Before it is possible to table that correspondence, the consent of the government of the United States must be obtained. I can table, if my hon. friend wishes me to do so, the press announcement that was agreed to by both countries, which is a close paraphrase of the correspondence. Otherwise I will ask that this motion stand until we can communicate with the government of the United States.

Mr. Speaker: Motion stands.

RADIO BROADCASTING—PROGRAM "ALLEN AND ME"

Mr. Fraser:

For a copy of the script of the program called "Alan and me" on the C.B.C. trans-Canada network broadcast at 6 p.m. Sunday, November 14, 1948.

Mr. McCann: Return tabled.

YUKON TERRITORY—TAXATION AND GRANTS AGREEMENT

Mr. Black (Yukon):

(1) For a copy of all correspondence between the commissioner of Yukon Territory and the Minister of Mines and Resources, the deputy Minister of Mines and Resources and all officials of that department concerning an agreement made by said commissioner on behalf of Yukon Territory between Yukon Territory and the government of Canada or any department thereof concerning taxation and grants to Yukon Territory; (2) a copy of said agreement; (3) a copy of the authority given to one LaFleche to assess and value property in Yukon Territory for the purpose of taxation; (4) a copy of the reports of said LaFleche.

DEPORTATIONS

Mr. Stewart (Winnipeg North):

For a copy of all orders in council, correspondence, telegrams and other communications concerning the entry into Canada, and subsequent deportation, if any, of: Georges Benoit Montel. Jean Louis Huc, Julian Gaudens Labedan, Andre Charles Boussat, Mordecai (or Morduch) Szulc, David Fajtlowictz, A. Abramowitz, Arthur Magat, Israel Cholewa, Giny Cholewa, Maniek Kuper.

SOUTH SASKATCHEWAN RIVER DAM PROJECT

Mr. Diefenbaker:

For a copy of all letters, telegrams and other communications which passed between the governments of Saskatchewan, Alberta and Manitoba and the Department of Agriculture since the first of July, 1948, relative to the South Saskatchewan river dam project, as well as the engineers' reports regarding the several prospective locations thereof.

YUKON AND MACKENZIE DISTRICT—FEDERAL GRANTS, 1946-48

Mr. Black (Yukon):

For a return showing (1) all grants made by each department of the government of Canada to Mackenzie District of Northwest Territories in the years 1946, 1947 and 1948, giving the amount of each and for what purpose made; (2) all grants made by each department of the government of Canada to Yukon Territory in the years 1946, 1947 and 1948, giving the amount of each and for what purpose made.

HOUSING—VETERANS—MONTGOMERY PLACE, SASKATOON

Mr. Diefenbaker:

For a copy of all correspondence exchanged between any veterans living at Montgomery Place, Saskatoon, Saskatchewan, and the Department of Veterans Affairs, relative to faulty materials and workmanship in the houses located in the said area.

Inquiries of the Ministry

HALIFAX HARBOUR

COLLISIONS WITH HALIFAX-DARTMOUTH FERRY—QUESTION AS TO RADAR EQUIPMENT

On the orders of the day:

Mr. D. King Hazen (Saint John-Albert): I should like to direct a question to the Minister of National Defence. I did not have an opportunity to give him notice of it. Was the naval tug *Glenevis,* which was in collision with the Halifax-Dartmouth ferry in Halifax harbour this week, equipped with radar? Is there any shore-based radar available at that port? Was harbour craft No. 303, which was in collision with the North Dartmouth ferry in Halifax on the same day, equipped with radar?

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, as the hon. gentleman has said, he did not have an opportunity to give me notice of the question. I shall be glad to look into the matter and give him an answer later.

HOUSE OF COMMONS

INQUIRIES AS TO SETTING UP OF COMMITTEES

Human Rights

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to direct a question to the Prime Minister. Is it the intention of the government to call together this session the special joint committee on human rights and fundamental freedoms?

Right Hon. L. S. St. Laurent (Prime Minister): I received notice this morning of the hon. member's question. I think it would be in the interests of hon. members to have a full statement made of the developments in connection with this matter of human rights and fundamental freedoms since the adjournment of the committee at the last session. I have asked the Secretary of State for External Affairs (Mr. Pearson) to prepare such a statement, which will bring hon. members up to date in the matter. The question of deciding whether it will be opportune to set up the committee can be dealt with in the light of the facts which will be revealed in that statement.

Radio Broadcasting

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): On January 28 I addressed this question to the Minister of National Revenue:

> Is it the intention of the government to take steps to set up a special committee of the house at this session on radio broadcasting?

At that time the minister gave the following answer, as recorded at page 44 of *Hansard*:

> The matter has not been given consideration. When it has been considered, an announcement will be made.

I now ask the minister whether consideration has been given to this question, and if an announcement can now be made.

Hon. J. J. McCann (Minister of National Revenue): I am not in a position to give an answer, but if there is a demand for the setting up of a committee on radio broadcasting, the matter will be given consideration.

WHEAT

REPORTED PURCHASE OF 120 MILLION BUSHELS IN CANADA BY ECA

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I wish to direct a question to the Minister of Trade and Commerce, arising out of certain representations made and evidence given yesterday before the Senate agriculture committee in Washington relating to the approval of the purchase of 120 million bushels of Canadian wheat by ECA for delivery to Britain. Is the minister in a position to say what the price was, and whether or not the price arrived at or agreed to is above or below the world price?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I presume the hon. member refers to the price under the United Kingdom contract.

Mr. Diefenbaker: No; this is a purchase direct by ECA.

Mr. Howe: So far as I know, this government sells nothing to ECA. It sells to ECA countries. We have no means of knowing whether payment is made from ECA funds or otherwise. We receive periodical publications of ECA, showing the funds allocated for purchases in Canada, and the commodities for which such funds are to be applied. The government of Canada does no business direct with ECA.

Mr. Diefenbaker: May I be permitted to ask a supplementary question? According to the press report, Canada is selling 120 million bushels of wheat to Europe on behalf of ECA. That was the evidence given yesterday before the committee in Washington.

Mr. Howe: I can assure my hon. friend that no such sale has been made. Canada has been selling wheat to Europe periodically. I dare say some of it, and perhaps a large part of it, has been paid for by the recipient countries with ECA funds, but Canada has no information as to whether or not payment was made from ECA funds or otherwise.

BUSINESS OF THE HOUSE

FRIDAY EVENING ADJOURNMENTS

On the orders of the day:

Mr. A. L. Smith (Calgary West): I wish to direct a question to the Prime Minister. When may we return to the usual practice of adjourning at six o'clock on Fridays? We seem to be proceeding with the Newfoundland matter much more quickly than we expected. Some of us who do not go home on week ends feel that it is in the public interest to become a little bit better acquainted with our families and think we might return to that old tradition of adjourning at six o'clock on Friday afternoon.

Right Hon. L. S. St. Laurent (Prime Minister): My impression is that the standing orders provide that the house shall sit until eleven on Fridays, and that it was only by special dispensation in the early part of the session that the house, with the unanimous consent of hon. members, adjourned at six o'clock instead of going through to eleven o'clock.

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

Mr. St. Laurent: This is the first time I have heard the suggestion that unanimous consent be sought to adjourn at six o'clock on Fridays. I am sure hon. members will recall that toward the end of the session we frequently reproach ourselves and each other for not having earlier made greater efforts to expedite the business of the house, and for having to work under great pressure at the end of the session. However, in these matters the government is always disposed to accommodate the largest number of members possible, and if there seemed to be any general desire to have the house adjourn at six o'clock on Friday on two or three occasions, the government would be willing to have the question put before the house for decision.

TRADE WITH BRITAIN

QUESTION AS TO REDUCTION OF TARIFFS

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): I should like to direct a question to the Minister of Trade and Commerce, and I hope he can see his way clear to give me an answer. In view of the fact that the continued lack of balance in Canada's trade with Britain would appear to be jeopardizing our markets for farm produce in that country, will the minister state whether the government has recently considered lowering tariffs on British goods, or taking any other concrete steps to encourage British imports?

Inquiries of the Ministry

Right Hon. C. D. Howe (Minister of Trade and Commerce): The government has taken steps from time to time in the direction indicated. Tariffs have been lowered and in some cases suspended. Other concessions have been made, all with a desire to encourage the importation of British goods. If my hon. friend will refer to the trade statistics over the past twelve months, he will find that importation of British goods has increased very materially.

Mr. Thatcher: Has the government considered the feasibility at this time of any kind of barter agreement with Great Britain?

Mr. Howe: The Canadian government is not favourably disposed toward barter agreements between governments. It has no objection to private barter transactions when they can be worked out. It believes in multilateral trade, and is opposed to any system of trading which tends to interfere with multilateral trade.

POSTAL SERVICE

ADDITIONAL POSTAGE CHARGES IMPOSED DURING THE WAR

On the orders of the day:

Mr. John T. Hackett (Stanstead): I should like to direct a question to the Postmaster General. In view of the reports of the successful administration of his department, will the minister give an indication when the additional postage charges imposed for purposes of war will be abandoned?

Hon. Ernest Bertrand (Postmaster General): Mr. Speaker, I think I may say in all frankness that it will be many long years before the additional postage is abandoned.

GOLD

RESTRICTIONS ON FREE SALE FROM CANADIAN MINES

On the orders of the day:

Mr. Alan Cockeram (York South): Mr. Speaker, before the orders of the day are called I should like to ask a question of the Minister of Finance. In view of current reports appearing in our daily papers to the effect that gold producers in countries other than Canada are making sales at prices above those fixed by the United States treasury, will the government give immediate consideration to relaxing its restrictions against the free sale of newly-produced gold from mines located in Canada?

Hon. Douglas Abbott (Minister of Finance): Again I assume my hon. friend did not have time to send me notice of his question.

Mr. Cockeram: I do not have to.

Mr. Abbott: I am aware of the special interest which he has in the matter. I shall take his question as notice and see whether I can give him an answer at an early day.

Mr. Cockeram: The minister is always frivolous in his replies to questions.

NEWFOUNDLAND

APPROVAL OF TERMS OF UNION WITH CANADA

The house resumed from Tuesday, February 8, consideration in committee of Bill No. 11, to approve the terms of union of Newfoundland with Canada—Mr. St. Laurent—Mr. Golding in the chair.

On section 22—*Fisheries.*

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Chairman, before proceeding further with this section may I make a brief statement. The information I gave the committee last night about the recommendation I had received as to the distribution of posts of senators for the island of Newfoundland has created some uneasiness there. I said it had been represented to us that there were three main groups of the population, divided according to religious denominations among Anglican, Roman Catholic and adherents of the United church. That has been taken to mean that it would exclude the possibility of anyone not belonging to those three denominations being considered for a Senate appointment. That is not at all what I meant, nor was it the real meaning of the recommendation made to us.

The recommendation made was that there were these three groups, namely the Anglicans, the Roman Catholics, the members of the United church and adherents of other denominations not forming part of the United church. The high commissioner reported that my statement might create a false impression and I feel it is desirable to have any false impression corrected. So I wish to say that those recommendations did comprise in the group described as the United church group the adherents of the United church, and members of other denominations being neither Anglican nor Roman Catholic, and that would include Presbyterians, adherents of the Salvation Army and other denominations.

Mr. Graydon: Do not forget the Baptists.

Mr. St. Laurent: I understand there are a few Baptists there, but that they have not yet established any denominational schools. The information given to me was that there were Anglicans, Roman Catholics, and others, most of whom belonged to the United church. But it was not intended that anyone would be excluded from consideration because of his religious views.

Mr. Knowles: So long as he is a Liberal.

Mr. Gillis: I did not think we would ever reach the point when the House of Commons would discuss appointments to the other place, or anywhere else, on sectarian grounds. However, that is not the point I had in mind when rising.

We are dealing with section 22 of Bill No. 11, dealing with fisheries. I consider the subject matter now under discussion one of great importance to the whole fishing industry of Canada, because the provisions of this bill could affect that industry in the wrong way.

It seems to me that at this time it would be necessary for the Minister of Fisheries to give us a comprehensive statement about the whole industry. For example, according to a press dispatch it was stated that a fisheries treaty was to be signed within a few days. That procedure took place in the United States. I understand eleven countries were represented, that Canada and Newfoundland are part of the set-up, and that this particular treaty deals with research. We are acting together in that field.

In Quebec and the maritime provinces fishing can be considered as one of the basic industries. I notice that section 22(2) states:

> Subject to this term, all fisheries laws and all orders, rules, and regulations made thereunder shall continue in force in the province of Newfoundland as if the union had not been made, for a period of five years from the date of union and thereafter until the parliament of Canada otherwise provides, and shall continue to be administered by the Newfoundland fisheries board; and the costs involved in the maintenance of the board and the administration of the fisheries laws shall be borne by the government of Canada.

While I am not sure of the accuracy of my information, I am informed that the fisheries board which regulates marketing in Newfoundland is representative of the fish dealers only, and that the industry is not represented thereon. I am further advised that the commission of government as such has no representatives on the board. If that kind of marketing arrangement is to continue for five years in Newfoundland, I think it is wrong. If my information is incorrect, I would ask the minister to give the correct information. If what I say is the fact, then surely this section should be rewritten.

My greatest concern, and the point about which I wish to be most specific, is the bounty now paid maritime fishermen. This is a fixed amount. If Newfoundland is now to be included in the bounty arrangement—and it would seem that it is—the result would be a reduction in the amount of money paid to

Quebec and maritime fishermen. Surely it is time the Fisheries Act was amended to preclude any such results. For the benefit of members of the house, and fishermen generally, I believe an explanation as to the way the bounty was established might be in order. I am aware that most fishermen know very little about it and I confess that I did not myself until a few days ago. I am indebted to the Department of Fisheries for the information that I have received and I think it should be a matter of record.

This bounty to the fishermen is known as the Halifax award. It was established by the treaty of Washington which was entered into in 1871 between the United Kingdom and the United States. Under that treaty United States fishermen were permitted to take fish off the coast of the maritime provinces, Quebec and Newfoundland for a certain term of years. For that privilege the United States paid $5,500,000 to the British government. The British government then paid $1 million of the award to Newfoundland and $4,500,000 to Canada.

The Canadian payment was placed in the consolidated revenue fund and after $500,000 had been deducted as expenses the net amount of $4 million was recognized as the payment received by Canada for the grant of these fisheries concessions. In 1882 parliament made provision for an annual grant of $150,000 for the purposes noted in the act, and that sum was later raised to $160,000. It is from this grant that the annual fishing bounties have since been paid.

That summary is taken from the report of the royal commission on fisheries which sat in 1927, which report goes on to say:

> From the House of Commons debates of 1882 when the resolution upon which was founded the legislation of 1882 was passed, it is plain that this annual grant was regarded as the interest upon the amount of the Halifax Award.

As I said in the beginning, the amount of money available for the purposes of paying this annual bounty is now $160,000. Fishing is the largest single industry in Newfoundland, and if under this agreement all the Newfoundland fishermen are to be eligible for payments under that grant, and if no additional money is to be disbursed, it will mean that the grants to Quebec and the maritime fishermen will be cut down.

I suggest that our Fisheries Act should be amended in order that the amount of the grant may be increased so that grants now paid would not be cut down because of the Newfoundland fishermen coming under the provisions. I should like to ask the minister if the governor in council have not the necessary power under the regulations to increase this amount. The regulations are to be found in P.C. 5366 of 1947, section 14 of which reads:

> The amount of the bounty to be paid to fishermen and owners of boats and vessels will be fixed from time to time by the governor in council.

I am making these remarks in order to get a definite and specific answer from the minister. The fishing industry is very important to the whole of Canada and at the present time it is facing many difficulties. If we are to bring in another large group of fishermen then I think it is time the Canadian government began to pay more attention to this industry than has been paid in the past.

I want to give some credit to the Minister of Fisheries. He comes from the west coast and when he took office he had not had very much experience. Immediately after being appointed he took his duties quite seriously and made a trip across Canada and today I think he knows a great deal about the industry. I hope the cabinet will have just as serious views in connection with this basic industry as has the minister.

As in practically every industry, a fight is going on now in the fishing industry. It has reached the stage where mechanization is the order of the day. A struggle is going on between the shore fishermen and the trawlers which will have to be settled. I think it is the obligation of the government to view that particular angle very closely. The fishermen claim that the trawlers are depleting and destroying the industry. That is the assertion that has been made to me and if it is true it is the responsibility of the government to see that the industry is not destroyed.

The best methods will have to be found to perpetuate this industry because it is an important food industry and deserving of much more consideration than it has had in the past. With the bringing in of another large group of fishermen, with the fight that is going on between owners and fish dealers and those engaged in the industry, I think the time is ripe for a thorough examination of the whole question. I should like the minister to answer the questions I have posed.

Mr. Mayhew: Mr. Chairman, I shall not at this time attempt to answer the hon. member for Cape Breton South, but I shall start out by answering the question that was put to me last night by the hon. member for Winnipeg North Centre. I am pleased indeed to have an opportunity to speak briefly about the Newfoundland fisheries.

As all hon. members well know, the fishing industry is the oldest industry on the island. But it is more than that; it is by far the most

important industry. It is the most important, not necessarily because of the annual dollar value of its products but because of the number of people engaged in it directly and indirectly and because of the unique way in which it has affected the whole economy of Newfoundland and even the character of the Newfoundland people.

The hon. member for Winnipeg North Centre was quite right when he suggested that we in Canada might profit from the knowledge and experience of the Newfoundland fishing industry. To my mind, we stand to gain a great deal by coming into association with Newfoundland fishermen, shore workers and management in that industry.

I should like to pay a tribute to these magnificent people of Newfoundland. The Newfoundland fishermen come from a hardy race of men and by their courage and resourcefulness they have built up a long and honourable tradition of life on the sea. From generation to generation they have faced without question the challenge and the hazards of the sea; they have gone out in very small boats and battled the elements; they plied their perilous trade long before the advent of steam and other modern improvements and safeguards. In spite of the many obstacles they have had to overcome—and have overcome—they have forced their way into the markets of the world. They have succeeded, not only because of their initiative and courage but also because of their skill in the methods of processing and because of their attention to the quality of their products.

A comparison of the history of Ontario and Quebec and the history of Newfoundland would perhaps emphasize the contribution that fisheries has made to the heritage of the island. Here in the interior of Canada our forefathers cut down the forests, plowed and cultivated the land and reaped the harvests. Farming became the very backbone of our economy and was the determining factor in our social evolution.

Exactly the same thing occurred in Newfoundland, except that the sea took the place of the land. The harvests of the sea formed the substance of life for Newfoundlanders, and the life of the sea has left its impact on the character and the economy of the people.

The fishing industry is the one industry that has held Newfoundland together over the years. The sturdy fishermen have provided the island with the first line of defence from the very beginning. They are the real Newfoundlanders, and will make real Canadians. We should be proud to welcome these fellow Canadians.

I should like to quote, if I may, from a recent book entitled "Newfoundland", edited by Dr. R. A. MacKay. Dr. MacKay is well known in this city. The passage I wish to read is as follows:

> At least as early as the sixteenth century annual fishing voyages began from western Europe, the banks becoming as well known to the fishermen of the west of England, of Spain and Portugal, of Brittany and Normandy, as the Caribbean was to the fighting men of Spain. Proximity to the fisheries ultimately induced permanent settlement in Newfoundland, and determined its distribution about the coasts. The annual fishing voyages ceased with the Napoleonic wars, and the English fishing industry became resident on the island. The local economy which developed was pre-eminently a fishing economy. A merchant class concerned with the export of the fish and the import and distribution of supplies was established on the island, particularly about St. John's, which early became the commercial capital. The whole business life of the island developed around the fishery. Retail merchants branched out to become wholesalers as well as retailers, importers and exporters, insurance brokers and ship owners, bankers, and in more recent times manufacturers. Although conditions have changed greatly within the past half century, the stamp of the fishing industry still marks the economic and social life of the island.

For four centuries, up to 1900, the fishery was the only industry in Newfoundland of any real significance. In the period 1901 to 1905 the value of fishery exports amounted to just over $8 million out of total exports of $9·6 million. Later the pulp and paper industry, and mining, exceeded fishing in the value of exports; but as I intimated before, from the standpoint of the number of people engaged in the three industries, the number in fisheries has remained in first place.

The fishery of Newfoundland has always centred primarily around the dried-codfish trade. Generally speaking, "fish" to Newfoundlanders means "cod". Recently there has been a development in the fresh and frozen trade. This branch of the industry, however, has tended to supplement rather than to supplant the salted fish production. In addition, Newfoundland has important lobster, herring, seal, and whale fisheries.

There is a wide range in the types of dried salted fish produced, and in the requirements of the various foreign markets. Newfoundland ships fish to many markets in Europe and in the western hemisphere. The Mediterranean markets of Portugal, Spain, Italy and Greece have long been the principal markets for Newfoundland codfish. Substantial quantities are also sold in such markets as Brazil, the British West Indies, and other Caribbean countries.

Dried codfish is essentially a cheap source of the protein used in semi-tropical countries, and its keeping qualities give it a decided preference over other protein foods. The fact that markets for dried codfish are, for the most part, in countries in which a large part of the population exists on a very low

standard of living, renders the industry somewhat susceptible to world economic conditions.

The development of the fishing industry in Newfoundland has not been one of continuous progress. Over the four centuries of its history there have been many ups and downs, and a number of remedies have been applied to bring about recovery. When the world economic depression struck in the early thirties, the economy of Newfoundland was unable to cope with the pressure exerted on it by falling markets for its principal export economy. In the period of 1926 to 1930 the codfishery yielded close to $13 million annually in value of exports, but from 1931 to 1935 the average was cut approximately in half to $6·4 million.

In the face of these conditions, in 1936 the commission of government established the Newfoundland fisheries board, and endowed it with wide powers over the production and marketing of salted codfish. This was a drastic change in tactics made necessary by drastic economic conditions. The board was given authority not usually vested in such an organization in a democratic country; but as I have said, the desperate plight of the fishing industry made such a step imperative.

As world conditions improved, the fishing industry, and indeed the whole economy of the island, began a slow recovery. The value of exports of fishery products, which stood at $6.9 million in 1937, rose to $8.1 million in 1940, and then rose sharply throughout the war to a peak of $33.8 million in 1946. In 1947 the Newfoundland association of fish exporters, NAFEL, was formed by the board. All exports from the island are now controlled by this association.

This has been but a brief survey, Mr. Speaker, of the Newfoundland fisheries. I am sure you would not expect more from me at the present time, although it would be very profitable to anyone to read the many books and articles that can be found in the library.

Before answering the hon. member for Cape Breton South (Mr. Gillis), I should like for a minute to give a brief outline of the method by which the fisheries committee proceeded with its part of the program of bringing about union. It was felt that any time you tackled the fishing industry you were tackling a very live nerve centre in the whole economy of both countries. Therefore it had to be dealt with in a spirit of good will on both sides. When the committee was set up, I asked them to come to my office. Mr. Walsh was the chairman of that committee. He and his associates visited the office, and with the departmental officials we sat down to consider the problems before us. Before proceeding I suggested to him that we would not consider them in the manner of horse traders. I said that I realized they were here to do a job—to negotiate—a job which they would want to live with, not only in the immediate future, but for years to come. I asked them to look upon us in the same way. I assure you that this was the spirit in which we approached the whole problem.

At the beginning I suggested to them that we all knew, facing each other as we did, that there was one problem about which there would be some difficulty, and that was the fisheries board and NAFEL. At that time I intimated to them I had had some experience in the splitting of wood, and had found it was very desirable to put a wedge in at the knot to open it up, and that the rest of the block would then fall apart in an easy and fairly reasonable way. That is exactly what we did. We started immediately to discuss the things that we knew were going to be hurdles, and somewhat difficult to get over.

After spending two or three hours in exchanging views on this matter, we proceeded by way of memorandum. We were given a list of questions which the delegates wanted us to answer. We answered these questions and then discussed our answers in another meeting. After various meetings, by a process of elimination, we finally reached a list of understandings which will be found in this pamphlet. I believe all hon. members have a copy of the pamphlet, and they will find the questions on page 8. These were the questions this committee was finally able to submit to a committee of the cabinet and of which we were finally able to get approval. These questions then found their way into the pamphlet which we have before us. I want to show that never at any time were there any harsh words. At all times the matter was viewed in a reasonable and business-like way and we are very pleased with the results.

Some of the questions which were asked this afternoon have to do primarily with our own position, and the fight between trawlers and shore fishermen. I think those questions can quite easily be left to be dealt with when our estimates are under discussion.

A question was raised about the fisheries board. The fisheries board was set up in 1936 by the commission. It is composed of a chairman and two members. This board has fairly wide powers, I will grant you. In 1947 a company was set up known as NAFEL, which is an exporting company.

Mr. Knowles: What is that word?

Mr. Mayhew: NAFEL, a Newfoundland association of fish exporters. We are not

getting all the privileges that were originally given the company. We agreed to let them retain the export market for salt fish only, which will amount to about $14 or $15 million a year, depending of course on market conditions. NAFEL has nothing to do with the rest of the fishing industry.

From the various departments we are taking over the freezing facilities, the inspection service and the research department, incorporating these into the federal system of fish management.

I believe I have answered all the questions except the one concerning the bounty. Please do not ask me to give the dates in connection with this question, because I do not remember them. In substance, however, the Newfoundland people received a million dollars as their share of the bounty; that was considered as their reward. The matter of sharing the $160,000 a year with the fishermen of Newfoundland was not discussed during the conference. It will be divided therefore, as it always has been divided, between the maritime fishermen.

Mr. Gillis: Am I to understand, then, that this $160,000 which I understand is interest on the original $4 million grant Canada received, will continue to be distributed between the Quebec and maritime fishermen? The Newfoundland fishermen will not share in that sum until such time as there are other arrangements.

Mr. Mayhew: That is my understanding, and it was not discussed at any other meeting.

Mr. Baker: As I am interested in seeing this union between Newfoundland and Canada go through, and I do not want to do anything that may impede it, I shall be very brief. Taking the long view, this union will be of strategic, economic and social advantage to both Newfoundland and Canada. Dealing specifically with fisheries, I know the union will prove to be mutually beneficial. True, the salt fish industry in Newfoundland is going to be, so to speak, on its own, to a certain extent for five years, but that is quite understandable. It takes a certain amount of time to adjust these things.

There has been an historical association between the fishermen of Newfoundland and the fishermen of our great province of Nova Scotia. Many of the Newfoundland fishermen have fished out of Nova Scotia's ports, and particularly out of the home port of the Minister of Reconstruction and Supply, Lunenburg. These men are well known to us all. There is one point I should like to mention and that is that, as a result of Canada and Newfoundland coming together, the hand of the Minister of Fisheries will be strengthened. We all realize the fine job he is doing. I think this union will help him because it is going to make the fishing industry a very large industry. Few people realize it is an industry that brings in a large volume of United States dollars. It is an industry that is growing.

The Louisburg project is one example of the co-operation between the federal government and Nova Scotia on behalf of the industry. With Newfoundland becoming a tenth province of Canada, we may some day be able to establish a continental shelf, which I think is of the utmost importance.

Now I bring up my perennial story. The stronger the claims of the fishermen become, and the claims of seafaring people in general, the greater the opportunity of having some sort of coastguard system, perhaps not exactly the same as the one the United States set up. I believe this union will help strengthen our request for such a system. There may be some difficulties during the period of transition but I am sure, taking the long-range view, this union will prove to be beneficial to Canada, Newfoundland and the maritime provinces in particular.

Mr. Archibald: I should like to ask the minister about this Newfoundland association which has control over the export of fish. If an individual desired to set up a business for the export of fish, would he have to pay a fee of $10,000 in order to belong to that association?

Mr. Mayhew: My understanding is, and I think I am right, that the regular fee for joining NAFEL is $10,000. Four or five men may get together and take out one membership. A person who has fish to export may ask a member of the association, and there are in all some 43 members in NAFEL, to sell his fish for him. It will be sold for a commission of from 3 to 5 per cent.

Mr. Knowles: I want to thank the minister for the trouble he has taken in replying at length to the question I asked last night. This is a subject in which the people concerned are keenly interested. Some hon. members may wonder why I should be interested in the subject, since I come from the centre of the continent. I suppose it is partly due to the fact that, as a child, I was brought up on stories of my Nova Scotian ancestors who had gone fishing on the grand banks. I dared to hope when I asked the question last night that the permission to Newfoundland to retain their present set-up, at least in part, for five years, was a concession to the fishermen themselves, the men who actually do the work. But after listening to the minister's description of the set-up today, particularly in view of his answer to

the question just put to him by the hon. member for Skeena, it looks to me as though it is the old story: it is a concession not to the men who do the work but to a privileged few. In the beginning the set-up sounded good, in that the marketing and export of fish were under the direction and control of a state fisheries board. Had it stopped there, one might have said "hear, hear." But, lo and behold! that board seems to have turned over all its rights and privileges to a fishing association, which is a fairly select group, if it is true that there is a fee of $10,000. If that is the situation, I hope that the department will get out of it any advantages there are. But I also hope that, in the interests of the men who do the work, modifications of this set-up will be made as quickly as possible.

Mr. Archibald: Can that fishing association do what the fisheries council of Canada did with the west coast co-operatives, namely, turn down on political grounds an application for membership?

Mr. Mayhew: I do not think I should be expected to answer that question. There seems to be in the minds of a few of the members an impression about which I think I should say something, and it will take me only a minute or two. They seem to think that the coming in of Newfoundland and the bringing in of another $30 million or $35 million of business will in some way affect the industry in the maritime provinces. As a matter of fact, there will be no more fish for sale by reason of Newfoundland coming in than there would be if she stayed out. Both countries will be doing business in the same markets. I believe one will strengthen the other in looking for markets, and that both will be able to go after business together in a better way than would be possible separately.

Mr. Gibson (Comox-Alberni): In the event of a maritime fisherman finding it to his advantage to take his fish to Newfoundland, would he be entitled to sell his fish through NAFEL? Or conversely, would a Newfoundland fisherman be able to bring his fish to the maritimes and sell it through NAFEL? I refer to codfish.

Mr. Mayhew: That is salt fish. The answer is no.

Mr. MacInnis: I quite agree with the point the minister has made, that bringing Newfoundland into confederation does not increase in any way the world fish supply or the North American fish supply. The fish supply is much the same as it was before; that is, the production of Newfoundland as a dominion and the production of the maritime-province section of this dominion will be much the same after confederation as before. But it may affect the maritime fishermen if the assistance given to the fisheries board, or to the organization that has been set up by the fisheries board—which, as has been mentioned, is a purely big-business commercial organization—will give the board a greater advantage in the markets of the world than the Canadian fishermen have under production conditions in Canada, where better labour conditions prevail—conditions which are none too good but perhaps better than they are in Newfoundland. That is the point I wish to make. I think we should be satisfied here, because of the understanding that the dominion government is to pay the costs of the fisheries board for the next five years.

Mr. Mayhew: We are paying only the deficit. I do not think there is any difference in the opportunity that Newfoundland has. I do not think the people are in any better position than we are in the maritime provinces at the present time. They operate some boats of their own between Newfoundland and the West Indies and have enjoyed that market right along. I expect they will continue to do so. Those boats will be taken over by the Department of Transport. There is in Newfoundland a bait-freezing service which I think is a better one than we have in Canada. We shall have to do something to improve ours so that it will be equal to Newfoundland's.

Mr. MacInnis: The minister said that, according to the terms of the agreement, Canada was undertaking to pay only the deficit in the administration of the Newfoundland fisheries board. Is that the statement the minister made? Before he answers, I may say that is not the way I read it in subsection 2 of term 22, which reads as follows:

> Subject to this term, all fisheries laws and all orders, rules and regulations made thereunder shall continue in force in the province of Newfoundland as if the union had not been made, for a period of five years from the date of union and thereafter until the parliament of Canada otherwise provides, and shall continue to be administered by the Newfoundland fisheries board; and the costs involved in the maintenance of the board and the administration of the fisheries laws shall be borne by the government of Canada.

This subsection does not say anything about assuming responsibility for the deficit only.

Mr. Mayhew: There is in the hon. member's mind a little bit of confusion between the board and NAFEL. The board will be considered part of our official organization, will be treated the same as are our officials, and will be paid by the government.

Newfoundland

Mr. MacInnis: Part of the Department of Fisheries of Canada?

Mr. Mayhew: Yes.

Mr. Isnor: I think there is one point we should bear in mind with regard to this five-year period. As I understand, the Newfoundland fisheries board will operate as a federal agency under the control of the governor in council. If I am correct in that, it does away with some of the worries that the hon. member opposite has in regard to its operation. But I take a wider view of awards than did the hon. member for Cape Breton South, because that Halifax award applies largely to the inshore fishermen. He also raised the question as to the operation of the fishing industry. I think Canada and Newfoundland, or the maritime provinces including Quebec, will be in an exceptionally fortunate position having regard to the future fishing industry of the world. We certainly will be able to take care of a population of 160 million, or all the consumers on the north American continent. In this fisheries development, we should take a long-range view not only of the benefits to Newfoundland, the new province, but of the effect it will have on our Canadian fishing industry. I for one welcome the thought that we are going to be able to join our forces and export in still larger quantities than ever before. I do not expect any trouble between the maritime provinces and Newfoundland in regard to regulations, because they have already shown a willingness to co-operate in developing new and more extensive markets.

May I say a word about the trawler? A number of years ago I was drawn into the trawler question. In fact I was almost crucified by certain groups and papers in the maritimes, but I am just as firmly convinced today as I was when I took my stand, in 1938, if I remember rightly, that the fishing trawler is necessary if we are to develop a large export market. You cannot sell in small quantities in a profitable way. It is all right for the inshore fishermen. I am familiar with the inshore fishermen. In the summer months I live right next door to them. I am friendly with them and am anxious to see them prosper, but they can only prosper by developing and holding a market in central Canada and in foreign countries. Therefore the trawler is necessary. A continuity of supply must be maintained if we are to continue in any developed market. Because of that, I am sure that those who say the trawler must be done away with are unfamiliar with this important question.

I quite agree with the hon. member for Cape Breton South that there are differences of opinion in the matter. There are those who say that if you allow the unrestricted use of the trawler it will destroy our fishing grounds. I wish to point out that today the fishing banks of Canada and Newfoundland are quite close. We have an advantage over the United States fishermen. As I said a moment ago, we must continue to operate the fishing trawler if we are to bring in large quantities of fish, process them and ship them to export markets, and in that way bring additional money to this country, which we as a progressive people are seeking. We are seeking increased export markets.

The hon. member for Cape Breton South is anxious to rise in his place and take exception to my remarks. I would ask him to wait a minute. It was not my intention to take part in this debate, but I know that from the maritime point of view the fishing industry is an important one. At the present time we have a minister who is interested not in the one section of the country which he represents in this house, namely the extreme west coast, but in all sections of the country. He has shown his interest by coming to the extreme east, and he has made himself familiar with our needs. Because of these visits to the different parts of the country we shall have a better transportation system to help the extreme east and west to market their fish in a better condition in central Canada. We are anxious to ship larger quantities to central Canada than we are doing at the present time. We realize that industrial central Canada, with its large population, roughly speaking 64 per cent of the population of the country, is a real market for our fish and the few products that we have to sell. We must ship our fish in a better condition than we have in years gone by.

I am pleased that the minister has shown his interest in our problems. He has promised us that we shall have a more rapid transportation system to make available to the people of central Canada the fine type of fish that we catch along the Atlantic coast, particularly in Nova Scotia.

Mr. Archibald: Are there any qualifications or terms demanded by the Newfoundland association of fish exporters other than the $10,000 fee?

Mr. Mayhew: Nothing that I know of.

Mr. Archibald: Do the members of the board have to belong to the association? Are they all members of the association?

Mr. Mayhew: Is the hon. member talking of NAFEL or the fisheries board?

Mr. Archibald: Are the members of the fisheries board also members of the fish exporters association?

Mr. Mayhew: No, it is entirely different.

Mr. Hazen: Will the laws, and regulations made thereunder by the dominion government, which affect trawlers and drifters, apply to the trawlers and drifters owned by the citizens of Newfoundland when Newfoundland becomes a tenth province, or will these laws not be applicable until five years have passed?

Mr. Mayhew: If the hon. member will refer to page 8 of the statement of questions he will find the answer to his question. At the present time the Newfoundland trawlers are not allowed to fish within a twelve-mile radius of the shores along the maritime provinces, but they may fish within three miles of Newfoundland. The Newfoundland fishermen will be allowed to fish in the same way as Canadian trawlers. We shall have to change the regulations to bring that into effect. If the hon. member will read the top of the page dealing with trawling he will get the answer.

Mr. Hazen: I notice that in subsection 2 of section 22 the words used are: "For a period of five years from the date of union". That is a definite period. I presume it was put in at the request of the Newfoundland delegation. Was any consideration given to the fact that Newfoundland might apply prior to the end of five years, or within five years, for a change? In other words, were the words "from the date of union" the governing factor? Could these words not have been inserted, "unless the province of Newfoundland requests that they or any of them be terminated at an earlier date? Why is it so definite, a period of five years?

Mr. Mayhew: My understanding is that this can be changed at the request of the Newfoundland government. That is what they wanted.

Mr. Knowles: I should like to ask a question on subsection 4. Half way through the subsection we find the following words, " . . . may be revoked or altered by the body or person that made them." Am I to take it that that body or person may refer to NAFEL? Has NAFEL the authority to change the regulations that they have made? Our concern is that the fisheries board set up by the state apparently has not much power left; most of the power is in the hands of this $10,000 per person private club.

Mr. Mayhew: NAFEL itself has no authority to make regulations. The regulations will be made by the board. The board was set up by the commission form of government and is now under the direction of the federal government.

Mr. Knowles: Do I understand that the board, which will now become a creature of the federal government—

An hon. Member: Agency.

Mr. Knowles: All right, an agency—directs and controls the affairs of NAFEL?

Mr. Mayhew: That is right. We have what we call an eastern division and a western division, and now this will be the Newfoundland division. This board will be the agent for the Newfoundland division of the Department of Fisheries.

Mr. Knowles: We wish to be sure that the board controls NAFEL, and not NAFEL the board.

Mr. Mayhew: That is right.

Mr. Nicholson: The minister has indicated that this is a most important industry in Newfoundland. Did any discussions take place with the Newfoundland delegation regarding the future of the industry? I understand a large volume of fish was sold in the British market, and that at the present time Great Britain is finding difficulty in getting the dollars to pay for Canadian products. With Newfoundland becoming part of Canada there will be tariff barriers which will prevent the importation into Newfoundland of goods which previously came from Great Britain. Thereby a problem will be created which may make it difficult for Great Britain to accept and pay for the quantity of fish which formerly came from Newfoundland. Will the minister say whether there was any discussion of that problem, and whether any assurance is being given to the Newfoundland fishing industry that they might expect to sell as much fish under the new arrangement as they did under the earlier one?

Mr. Abbott: I did not hear everything the hon. member said, but I understood his remarks related to what arrangements could be made with respect to the sale of fish by Newfoundland in European countries either for sterling or for other European currencies.

Last year an arrangement was made by the British government whereby it took over from Newfoundland the currency proceeds of sales of fish in those areas—escudos in Portugal, or lira in Italy—and gave to Newfoundland blocked sterling for those other currencies. The Newfoundland government gave to the fishermen equivalent amounts in dollars to pay for the fish.

The blocked sterling thus acquired was held in a special account available, and available only, for the reduction and the servicing of the sterling debt of Newfoundland held in the United Kingdom. The Newfoundland government approached the United Kingdom

at the time discussions of union with Canada were under way, and asked them if they would renew that arrangement for the coming season. The United Kingdom government has agreed to do so. In other words, the United Kingdom has agreed to take from Newfoundland the proceeds from sales of fish in those European markets, and give them blocked sterling for it, which will be placed in this account. Then, of course, the government of Newfoundland would have to provide dollars for the fishermen.

On the part of Canada, we as a country—Newfoundland being a part of this country, or soon to become a part—would be able to make the necessary dollars available to Newfoundland for those proceeds, because under the terms of union Canada has undertaken to assume the payment of sterling debt. We would therefore be in a position to use the proceeds of such sales for the servicing and reduction of that sterling debt.

Mr. Matthews (Kootenay East): I should like to ask a question regarding the latter part of subsection (5), where it says:

> And employees of the Newfoundland fisheries board shall become employees in that department in positions comparable to those of the employees in that department in other parts of Canada.

Does that mean that when these regulations come into effect there will be a general stepping up of salaries of those employees beyond what they are now receiving?

Mr. Mayhew: We will try so far as possible to have an equalization of salaries. In some cases it would be a stepping up, while in others it might be a stepping down.

Mr. Archibald: With respect to liquidation of the Newfoundland debt by accepting blocked sterling for fish exports, is there any chance of getting rid of some apples and canned salmon so as to help liquidate the debt of Newfoundland in that way?

Mr. Abbott: Perhaps we could answer that when we are considering Newfoundland's debt. It is expressed in terms of dollars. The Newfoundland sterling debt is expressed in terms of dollars at $62 million. It has varying maturities. Canada will have to service the debt until it is repaid, and in due course will have to provide for payment. In order to provide for payment Canada will have to acquire the necessary sterling; and it will acquire that sterling by giving to the United Kingdom treasury the equivalent amount in dollars. Presumably the dollars will be used as part of the general dollar reserve of the Bank of England or the United Kingdom treasury, and used for whatever purposes their laws provide. But I do not think Canada would be in a position to impose conditions upon the Bank of England or the treasury of the United Kingdom as to how such proceeds would be used.

Mr. Dickey: Mr. Chairman, before the section is carried I should like to support what was said by the minister and also by my colleague, the senior member for Halifax, with respect to the industry generally.

The Nova Scotia and Newfoundland fishing industries are quite similar. I believe the union of these industries under one jurisdiction will be a source of strength and will result in far-reaching benefits for the industry as a whole both in Nova Scotia and in other parts of the maritime provinces, as well as in Newfoundland. As the Newfoundland industry stands, having been developed under a separate jurisdiction, it is unavoidable that at the present time there are certain arrangements and regulations concerning the industry which are different from those under the Canadian jurisdiction as applied to the industry in Nova Scotia and the other maritime provinces.

I believe it indicates a desire of all parties to see that the two industries are united under one jurisdiction, with the least amount of damage to either, when it is pointed out that arrangements have been made to continue in force for a period of time certain of these special regulations under which the Newfoundland industry has developed, in order to provide an orderly and proper unification of the regulations which in future will apply to the industry as a whole.

The fact that these regulations have been continued in force does not in any way show that these particular regulations and arrangements are approved, that they will be continued in force permanently, or that any of them will be made to apply to the industry in those parts of the maritime provinces which already form a part of Canada. That the whole question received the greatest possible consideration is shown by the great detail set out in section 22, now under consideration, and more particularly by the very detailed discussion of the various questions involved, and information which has been given in the committee. The industry as a whole will benefit through the efforts of the Department of Fisheries to improve methods of packing and transporting fish products to market. As a result of benefiting to that extent the industry will be able to bring about considerable expansion.

The hon. member for Cape Breton South rather left the impression that trawlers were destroying the shore fishing industry. My colleague pointed out that there were two schools of thought on that matter. I think it is generally agreed that if there is to be

any considerable expansion of the fishing industry in the maritime provinces and on the Atlantic coast a continuing and regular supply of suitable fish will have to be provided. The only basis upon which that expansion can be built is the proper use of trawlers. Far from destroying the shore fishing industry, the proper use of trawlers will contribute to its prosperity.

Mr. Hazen: I have had the opportunity of looking at this pamphlet containing the statements of questions raised by the Newfoundland delegation. On page eight it is stated that Newfoundland trawlers will be permitted to fish to the three-mile limit off the coast of Newfoundland. Will that be for the next five years or for a longer period?

Mr. Mayhew: When union is consummated Newfoundland will be a part of Canada, and normally the laws of Canada would apply. Throughout the rest of Canada trawlers must operate beyond the twelve-mile limit, but we are saying that as far as Newfoundland is concerned its fishermen may continue to fish up to the three-mile limit. Legislation will be brought in to make that legal.

Section agreed to.

On section 23—*Debt.*

Mr. Macdonnell (Muskoka-Ontario): I think it would be desirable that a statement should be made to the committee with regard to this section. It reads:

> Canada will assume and provide for the servicing and retirement of the stock issued or to be issued—

I refer particularly to those latter words.

Mr. St. Laurent: I think it is desirable that there should be some explanation of this clause for the information of hon. members and the public generally. The expression "issued or to be issued" refers to the replacing of certain securities by other securities. There is a provision for the replacing of securities issued under the loan act of 1933 without changing the amount at all.

On the basis of conversion at the rate of $4.04 to the pound, the amount outstanding under the loan act of 1933 is $71,911,467.24. There is a sinking fund amounting to $9,326,-650.26, which leaves a net outstanding debt of $62,584,816.98.

Mr. Probe: Is that dollars or pounds?

Mr. St. Laurent: It is dollars converted at the rate of $4.04 to the pound. According to the latest information available, the amount of the internal debt was $10,465,593, with a sinking fund of $879,368, leaving a net internal debt of about $9,500,000 as of December 31, 1947.

Mr. Brooks: Would the total debt be $72 million? I do not just understand the difference between internal debt and national debt.

Mr. St. Laurent: Securities were issued in sterling in the United Kingdom, the net amount of which at the present time is $62 million. Then securities were issued in Newfoundland in dollars, the net amount at the end of December, 1947, being approximately $9.5 million. An attempt was made to determine what portion of the total debt incurred in respect of the services would have been in respect of federal services had union taken place before the expenditure was made, and what proportion referred to services which would have been provincial services had union been in effect. According to the report of 1933 it was estimated that approximately $67.5 million of the debt at that time was the result of capital expenditures and current deficits in connection with the railway enterprise and war expenditures.

We reduced that $67.5 million in the proportion in which the total debt existing at that time had been reduced over the years and it was found that that brought the amount down to $54.8 million. The Newfoundland delegates represented, and after consideration it was found that their representations should be accepted, that there had been issued for war purposes during the last war a total of $6.5 million in war loans and savings certificates. That added to the $54.8 million made a total of $61.3 million.

That figure was found to correspond quite closely to the debt owing in the United Kingdom in sterling. It was agreed that in bringing about the union Canada would take over, as a debt incurred for what would have been federal purposes, an amount equivalent to the United Kingdom debt, and that the government of the province of Newfoundland would retain the debt of approximately $9,500,000 as a debt incurred for purposes which would have been provincial. There was this slight discrepancy. In making the mathematical computation we arrived at $61.3 million whereas the amount of the sterling debt was $62.5 million. It was pointed out to us, however, that in connection with the railways and the war, not only had there been capital expenditure of a federal nature, but that a portion of it had been incurred presumably for the erection of public buildings, and that the public buildings were going to be distributed according to the space in them occupied for what would be either federal or provincial services. It was found therefore that the fairest approximate calculation that could be made would show that the amount of the sterling debt was just about as close

as we could get to the amount of indebtedness incurred for purposes which would have been federal purposes.

It was for that reason that the sterling debt was assumed, and that the provincial government was to be left with its dollar debt owing to residents of Canada or of Newfoundland.

Mr. Jackman: May I ask whether the sterling debt of Newfoundland is held by British nationals? If so can we offset some of the sterling balances, which we own in London, against the payment of this debt?

Mr. St. Laurent: The debt will have to be paid in sterling, and we will be entitled to pay it in any sterling that we have. Of course, we have not endeavoured to trace the securities, but presumably they are securities that were issued in England and issued in sterling. We assumed that they were probably held in the United Kingdom, but whether or not they are held there they are payable there, and they are payable in sterling, and we can use whatever sterling we have to redeem them.

Mr. Macdonnell (Muskoka-Ontario): I take it the Prime Minister means not only that they are payable in sterling but that they are payable only in sterling.

Mr. St. Laurent: Only in sterling.

Mr. Macdonnell (Muskoka-Ontario): The Prime Minister referred to the wording where it says, "Stock issued or to be issued". As I understood him, that means that new stock can be issued, but only to replace existing stock. That gives rise to this question. Does that mean merely to replace stock that is lost, or does it mean that if under the sinking fund you pay off a certain amount you can then issue up to the old amount?

Mr. St. Laurent: No; it means it is only to replace securities originally issued. My understanding is that under the Loan Act, 1933, there were securities issued to replace former securities, and that there are some of those that have not yet been converted.

Mr. Macdonnell (Muskoka-Ontario): So the net result is that it will be the original amount not subject to increase, and subject to decrease to the extent of the sinking fund?

Mr. St. Laurent: That is correct.

Mr. Fleming: My question has to do generally with the financial terms, and it applies to article 23 and several of the other articles which are to be found under the general heading, "financial terms". I should like to ask the Prime Minister to supply a little more information as to the net result as far as the annual charges that will be borne by Canada are concerned. The information which has been furnished to the house is not quite up to date. The document which has been circulated entitled "Report and documents relating to the negotiations for the union of Newfoundland with Canada" deals at page 70 with the question of probable revenues and probable expenditures accruing to Canada from Newfoundland. That information is based on 1947 figures, and also relates to the terms offered to Newfoundland in 1947. The figures at page 70 are a part of annex No. 4, which is annexed to the so-called "proposed arrangements for the entry of Newfoundland into confederation," which accompanied the letter of October 29, 1947, of the former Prime Minister of Canada to the governor of Newfoundland, to be found at page 57 of this same document.

As I gather it, the position under the terms offered in 1947 was roughly to this effect. Canada might anticipate drawing from Newfoundland into the federal treasury approximately $20 million per annum on the assumption of a continuation of the 1947 level of economic activities in Newfoundland. It was calculated also that probable expenditures on Newfoundland out of the federal treasury, embracing tax agreement payments, old age pensions, family allowances and other departmental expenditures, would total approximately $27 million. On page 71 it is pointed out that there are four items not included in the estimate of $27 million odd. They are: first, the transitional grants; secondly, the cost of servicing that part of the Newfoundland debt assumed by Canada; thirdly, any costs in respect of the Newfoundland railway or its auxiliary steamship services taken over by Canada; and, fourthly, any capital expenditure.

I pause at that point to make this comment. In trying to arrive at the net result, it would appear that on the basis of the 1947 offer the net result to the treasury would be a deficit of roughly $7 million as between federal revenue and probable expenditures, plus three and a half million dollars of transitional grants in each of the first three years of union, plus the other three of the four items referred to on page 71. But those are not the terms that are before the house today. The terms were revised in 1948, and the result has been to increase very substantially the amounts of the transitional grants that are offered by Canada to Newfoundland. It is proposed to increase the grants substantially during the first eight of the twelve years during which transitional grants are payable. By doing some arithmetic one finds that the total of transitional grants contemplated in the 1947 offer was $26,250,000, whereas the transitional grants that are contemplated by article 28 of the terms of union total $42,750,000. I assume that the amount

of the transitional grants was increased in the interval between 1947 and 1948 for the purpose of making the terms of union more acceptable to the people of Newfoundland, and perhaps to meet some of the opposition that had been encountered there towards confederation.

I should like to ask the Prime Minister if he is in a position to give to the house now up-to-date figures as to the probable net result to the federal treasury of union based on the figures on pages 70 and 71 as varied, first by the increase in the transitional grants, and, secondly, by any possible changes arising from the use of 1947 figures as basic. It may be the government is in a position to give us more recent figures than those used here.

Mr. St. Laurent: I should not like to attempt to go into the details of those calculations. Those estimates that were made are contained in this annex 4. They were rough estimates and it was found that, in many respects, more precise information could be supplied than had been available in 1947. It was found that, in order to leave the provincial government in a position to carry out its responsibilities and give to the people of Newfoundland services that would be progressing up to the scale of services provided in other provinces, without imposing taxes which it would not be practical to try to make effective at once, additions in the transitional grants were required. It is because of that feature that those increases in the transitional grants were provided.

I think the Minister of Finance and his officers did make calculations before recommending to the committee the reasonableness of the proposals, and I think he would be in a much better position than I to give my hon. friend such information as his officials were able to obtain.

Mr. Abbott: As the Prime Minister has suggested, perhaps I might follow that up, Mr. Chairman. When the first delegation was here discussing terms of union, certain figures were made available as to the probable revenues in Newfoundland. It was on the basis of those figures or estimates that the original financial proposals were made.

Following the holding of the plebiscite and the arrival of the new delegation a good deal of additional work had been done with respect to the probable revenues and expenditures in Newfoundland. The Newfoundland delegation had retained the services of a very capable accounting firm. A careful analysis had been made of the probable revenues in Newfoundland and an attempt was made to forecast a probable provincial budget. As the committee will appreciate, it was rather difficult to do that because of the difficulty of assessing the extent to which the federal services would accomplish what, in the past, had been done by the province, and just how much would be carried on by the province. That was, of course, on the expenditure side.

On the revenue side of a proposed provincial budget, it was necessary to take account of the fact that union would effect a rather revolutionary change in the tax sources of Newfoundland. Up to the time of union, the major sources of revenue were sources which either were exclusively within the purview of the federal government or would be shared by the federal and provincial governments. The major source of revenue in Newfoundland has always been the customs duty. This revenue would no longer be available to the new provincial government. Income taxes, corporation taxes, succession duties and the like are fields that are shared by the two governments. The difficulty in assessing what the revenues would really be was considerable.

It was, of course, realized by the Newfoundland delegation and by the Canadian delegation that it would be possible and necessary to develop new sources of revenue, in the light of those which are utilized in other Canadian provinces, but that inevitably it would take some time to develop those sources of revenue. For that reason, it was decided it would be necessary to increase the transitional grants which, as the committee will have appreciated upon looking at the terms of union, commence at the figure of $6·5 million for the first two years and diminish to nothing at the end of the twelfth year.

It was upon that basis that these additional transitional grants were arrived at, and that was the consideration which prompted the Canadian government to recommend these increased grants. The Canadian government felt they were fair and were necessary in order to enable the new provincial government to have a reasonably adequate budget to provide a scale of provincial services necessary in the new province.

Mr. Fleming: I appreciate the real difficulty in arriving at very precise estimates of the probable revenues and probable expenditures in a situation like this, which has some novel features about it. If the minister would be kind enough to clarify this matter, I should like to ask him whether my understanding of the situation is correct in so far as the net cost to the Canadian treasury is concerned. The anticipated total annual revenue from all sources after union, which will include the personal income taxes, corporate taxes, succession duties, customs duties, import taxes, as well as all the other forms of taxes which

were enumerated on page 70, will be in the neighbourhood of $20 million.

Mr. St. Laurent: That was our estimate.

Mr. Fleming: Yes, I understand this was the estimate of the Canadian government. Against that, there are anticipated expenditures of approximately $27 million per annum. The tax agreement payment, which I presume is the subsidy payment which is provided for in article 26, is estimated at $6,820,000; old age pensions, between $2 million and $2,600,000; family allowances, $8,350,000; other departmental expenses, $9,400,000. This makes up the total I mentioned. There would appear up to that point to be an annual deficit of $7 million in round figures.

The increase in the transitional grants from $3,500,000 to $6,500,000 would bring the deficit up to $13,500,000, approximately, per annum, but that does not include three other figures: first, the costs of servicing that part of the Newfoundland debt assumed by Canada; secondly, any costs in respect of the Newfoundland railway or its auxiliary steamship services taken over by Canada; thirdly, any capital expenditures. Could the Minister of Finance give any estimate at all of those three latter factors, as to what they might be expected to amount to, and could he say a word as to the anticipated additional cost of defence, so that we will have as complete a picture as it is possible to draw at this stage of the net result for the treasury of Canada?

Mr. St. Laurent: Before the Minister of Finance gives his estimate, possibly I should give the estimate that was brought back to us in 1948 by the Newfoundland delegation. They disputed our estimate of the revenues as being too modest. Our estimate of what Canada would derive in 1949 was $20,185,000. Their estimate of what would be derived on the level of economy of 1949 was $26,922,000. They made that as their estimate of what Canada would derive from those various sources—personal income tax, corporation tax and so forth. They also disputed the $27,150,000 because that included the old age pensions payment at $2,600,000, and they said it would not exceed $2,400,000. So they came back this time telling us that our estimate of the revenue Canada would get, on the level of the economy of 1949, was too low, that it should amount to $26,922,000; and that our estimate of the expenditure on these items was a little bit too high and would be $26,970,000, practically balancing each other. Of course those figures are merely estimates. Before the Minister of Finance gave his own figures, I thought I should give to hon. members the representation that had been made by the delegation from Newfoundland.

Mr. Abbott: I forget for the moment what other things my hon. friend had in mind particularly.

Mr. Fleming: I went on to deal with the factors enumerated at the top of page 71 of the booklet. I asked if the minister could give any estimate at all as to factors 2, 3 and 4, which are as follows:

(2) Costs of servicing that part of the Newfoundland debt assumed by Canada;
(3) Any costs in respect of the Newfoundland railway or its auxiliary steamship services, taken over by Canada;
(4) Any capital expenditures.

I also asked whether the estimate of their expenditure, this figure aggregating $27 million in round figures, took any account of the increased burden of national defence. There is an item here entitled "other departmental expenditures", but it is an amount of only $9,400,000. Does that take any account of the increased burden of national defence which will now fall on the federal treasury with respect to the defence of Newfoundland?

Mr. Abbott: No. I have not any revised figure as to probable federal revenue from Newfoundland, and I would prefer not to hazard any further statement on that matter at this time. We are, however, in process of preparing estimates to be included in what would be the main estimate in order to provide services in Newfoundland. While those are not completed yet, they are fairly well advanced. Those expenditures, including expenditures for veterans' benefits and one thing and another, which are not included here, will be substantially higher than the figure of $27 million shown on page 70. Including all those special items, I think it will probably be something of the order of $50 million, including additional estimates for defence and the like.

Mr. Fleming: I should like to be clear with regard to that figure of $50 million. Is that in addition to the $27 million?

Mr. Abbott: No. What I am saying is this. Of course, before union is completed I shall be bringing down the main estimates for the fiscal year from April 1, 1949, to March 31, 1950. Therefore I have decided that, in the main estimates, we should not include Newfoundland items, but that they should be brought in as special supplementary estimates. I think it is an advantage to deal with the matter in that way, in that it will show to members of the house in detail the additional expenditure which it is contemplated will be necessary for Newfoundland. Those estimates will be brought in. My present intention would be to table those estimates on or about March 31, on the assumption that

the legal formalities will have been complied with in order to make union effective about that date. Present indications are that the over-all amount of those estimates, including the other items to which I have referred—those relating to veterans and the like—will be something of the order of $50 million.

Mr. Fleming: For clarity's sake, may I ask this further question. That $50 million will include the $27 million, plus the transitional grant, plus the other three factors at the top of page 71?

Mr. Abbott: That is correct.

Mr. Fleming: It is an inclusive figure?

Mr. Abbott: That is correct.

Mr. Nicholson: Can the minister make any breakdown of this additional $23 million? I am referring especially to item 3:

> Any costs in respect of the Newfoundland railway or its auxiliary steamship services, taken over by Canada.

In the report of meetings between delegates from the national convention of Newfoundland and representatives of the government of Canada, part II, at pages 67 and those following, the section dealing with transportation makes some mention about present freight rates, express rates and passenger rates in Newfoundland. I understand that the freight rates there are about twice as high as the prevailing rates in the maritimes. I was surprised to find that it is so much more costly to travel by train in Newfoundland than it is to travel by air. The cost of travelling from St. John's to Gander is a good deal higher by train. I am told that the rates are about twice as high as the prevailing rates in Canada.

As to the condition of the property, at page 69 I read:

> Such evidence as is available would indicate that the Newfoundland railway system is badly run down and would require the expenditure of substantial amounts for rehabilitation. Estimates of the probable cost of such rehabilitation can only be guesses on the basis of data at present available. It would appear that the rails would need to be renewed on the whole of the railway within a period of ten years, and that at the same time ballast should be renewed, embankments and cuts widened, drainage restored or improved and that a majority of the bridges would need renewing. The cost of such rehabilitation over a ten-year period would be of the order of $10 million.
>
> The rolling stock of the system would also need rehabilitation. Much of the car equipment is of wooden construction and a number of the locomotives are not worth repairing. It may be hazarded that the cost of rehabilitating rolling stock over a ten-year period would be of the order of $7 million.

I read that the rates of pay, as far as can be judged from the sample given, are on the whole somewhat lower than those in Canada. Under the heading "Results of operation", it is reported that there was a deficit of about $525,000 in 1944-45 and $698,000 in 1945-46, after adjustment of a non-recurring item.

The point upon which I should like some information is this. Does it now become the problem of the Canadian National Railways to take over the Newfoundland railway? Is there an undertaking to bring the rates of pay up to Canadian levels and to bring passenger and freight rates down to Canadian levels? If so, what is the probable deficit which might be expected? What about the capital debt of the Newfoundland railway? Does it become a charge on the consolidated revenue of Canada, or is it added to the already heavy burden of the Canadian National Railways, which is about twice as high as the debt of its competitor, the Canadian Pacific Railway? Can the Minister of Finance answer some of those questions?

Mr. Abbott: The Newfoundland railway will be operated by the Canadian National Railways; that is to say, management will be provided by the Canadian National Railways, but they will operate it as agents of the Canadian government in the same way as the Canadian National Railways operate the Intercolonial railway. If there is a deficit, and I think it is fairly certain that there will be one, any deficit incurred will have to be voted by this house in the same way as deficits of the Canadian National Railways and just as we have in the estimates each year an item for statutory obligations in connection with the Intercolonial railway. At the moment I have not available any estimates of the possible or probable deficit of the Newfoundland railway. There is no doubt that it will require substantial capital expenditures, which will be classified as capital, and which presumably would increase the earning power of the railway by improving efficiency. But from an operating point of view the deficits, if any, will be a charge upon the taxpayers of Canada in the same way as are the deficits of the Canadian National Railways and of the Intercolonial railway. I have forgotten my hon. friend's other question.

Mr. Nicholson: Are the rates of pay prevailing in Canada to be made available to Newfoundland?

Mr. Abbott: I am afraid that that is a question which is not within my province. The Minister of Transport is not here at the moment. That question comes within his jurisdiction.

Mr. MacNicol: The rates would have to be applied to Newfoundland.

Mr. Bentley: In taking over various public utilities such as railways and hotels in Newfoundland, under the terms just announced

by the minister, will a careful audit be carried out, and will they be taken over at the actual replacement value or at their value regardless of how much actual over-capitalization there may be?

Mr. Abbott: No valuation is placed on them. We take them over as an asset of the government of Newfoundland. As the Prime Minister indicated a moment ago, we have assumed the payment of the sterling debt, a large portion of which was incurred in the building of the railway, among other things. We will own the railway as an asset of the Dominion of Canada. As I indicated, the offsetting liability is a portion of the debt. I might add, the arrangement provides that the railway will be left with adequate working capital, stores and so on, and that is part of the adjustments which are made on union.

Mr. Jackman: After what my leader has said in welcoming Newfoundland into confederation, I am sure that we shall be glad to accept the young lady without any dowry whatsoever. But this committee is entitled to know just what revenues we are likely to receive from taxation in Newfoundland and also what the expenditures will be. The information which the Minister of Finance has given has been anything but illuminating. I do hope that he has not entered into a financial transaction on the scanty basis of information which he has so far given to the committee.

The document which was given to hon. members was printed in 1949. It refers to a conference series published in 1948. One might expect that the information would be at least reasonably up to date, but either the minister or the Prime Minister has said, when dealing with the federal revenues which we can expect from Newfoundland, that the original figure of $20,185,000 had been upped by the Newfoundland delegation when they went back home and made a further investigation, and that they retained a very capable firm of accountants—I am sure they were very capable—who upped these revenues to an estimated $26,922,000. Do we accept that revision of the estimate of revenue which we shall get from Newfoundland?

Mr. St. Laurent: We neither accept it nor dispute it. We shall get such amounts as will be provided by the present rates of taxation applied to operations which actually take place. These are estimates. We accept them as estimates, but we do not guarantee that these estimates will prove to be accurate.

Mr. Jackman: I am not asking for a guarantee. Of course they must be estimates in the very nature of things, but one certainly does a little checking and double checking. The delegation met here with our own representatives for weeks, if not for months. Surely there must be a very good idea in the minds of members of the government as to what a reasonable estimate is. I am asking a specific question. Is the reasonable estimate in the eyes of our own advisers and our own responsible ministers $20 million or is it nearly $27 million, which was the final estimate of the Newfoundland delegation? That is a simple question. Surely the government holds at least a belief that it must be nearly one or the other. I know that when we apply our taxation laws to Newfoundland we get a certain figure. We do not know exactly what it is, but we must have made some estimate which we hoped would bear some accuracy, because it is simply amazing, when the budgets are brought down year after year and estimates are made running up to hundreds of millions of dollars, how accurate they sometimes are, although I admit that in the last few years the surpluses have been a little higher than the government could ever possibly have expected.

As members of this committee, we should inquire into what these probable expenditures are going to be. The minister, in his usual slapdash fashion, has said that the figure of $27 million applies to transitional grants which are now $6,500,000—

Mr. Abbott: Total payments. The main additional item, if my hon. friend will permit me, will be approximately $14,500,000 under the transitional grants, the tax agreement, and other payments to the province. Add $14,500,000 to $27 million and you get up to $41 million odd. Then there are veterans benefits of $4 million or $5 million, and one thing and another.

Mr. Jackman: It is this "one thing and another" to which I object. This committee is entitled to know what we are doing. As I said before, we are willing to go into this irrespective of any dollars and cents. The question of union with Newfoundland rises above that; nevertheless we owe a duty to our own people in Canada and we need the information. I would ask the minister not to give me a few figures on this and that and say, et cetera, et cetera, then arrive at $50 million. What I want to know is this. What is added to the probable expenditures of $27 million, which I think the minister said had to be revised upwards? I should like to know what the additional figures are. I want them itemized to make up the total of approximately $50 million which the minister gave us. We have the transitional grants, which are $6,500,000. Then we have the cost of servicing the Newfoundland debt, which I presume will be somewhere in the neighbour-

hood of $2,400,000. The minister can correct me if I am wrong. Surely he knows what the experience is in operating the Newfoundland railway even with the high freight rates and passenger rates which we heard about, and possibly a lower wage scale than we have in Canada. What has been the experience there in the last few years?—because in the nature of things it is not likely that there will be too radical a change in a short time. What is the deficit on the Newfoundland railway likely to be, if there is a deficit? It may be a profit, for all I know, but I want a figure on that. I want to know exactly what other items, including the cost of veterans allowances, will go to make up the figure of $50 million more or less which will be the cost to Canada of the first year of operation. I have not said a word about the revenues, which are estimated on the basis of 1947, I think, because that was applying the tax laws as they existed in Canada at that time, and we, representing the people of Canada, surely expect that the tax rates will be much less, therefore the tax revenues will be much less. However, I will not ask the minister to make any estimate in that regard just now. If he would throw some light on how the $50 million probable expenditures are made up I should be very grateful.

Mr. Abbott: That question is fair enough. I am afraid I cannot give the information at once. The reason I gave the round figure of $50 million was that I asked the officers of the various departments to segregate the expenditures in the different departments relating to Newfoundland. The other day I asked what the total of these estimates would be and I was informed that it was something of the order of $50 million or $55 million. I have not the details here. I will get them. This discussion will probably go on for some time. The full detail of course will be set out in the special supplementary estimate to which I referred a moment ago, but I cannot give my hon. friend a breakdown of that here now.

The major item is the extension to Newfoundland of rehabilitation grants and other veterans benefits, which run to quite substantial sums of money. That is a major item in the increase. It may well be that the gross figure which I have given also includes an estimate for deficit on the railways but I shall have to ask my hon. friend to allow that to stand and I shall try to give it to him either tomorrow afternoon or certainly before the discussion finishes.

Mr. Fleming: Going back to my now familiar problem about the net result, the minister has now said that the total probable expenditures for a full year would be $50 million to $55 million. The Prime Minister has indicated that the estimates of federal revenue in a year are, on the one hand, the Canadian estimate of $20 million, in round figures and, on the other hand, the Newfoundland estimate of, shall we say, $27 million, in round figures. This means that, with those figures, the net cost to the federal treasury through union would be a minimum of $23 million per annum, and might run up to as high as $35 million, based on the assumption of the continuance of the present scale of economic activity, and also on the continuance of the present scale of federal taxation. If, as we sincerely hope, there is a substantial reduction in rates of taxation this year, the anticipated revenue from Newfoundland would be reduced accordingly, and the net charge on the federal treasury would be increased accordingly.

Would the minister comment upon that? According to my arithmetic the figures of cost would be somewhere between $23 million and $35 million per annum.

Mr. Abbott: That is probably right. But, as the hon. member appreciates, those are estimates. If, in fact, the federal revenues from Newfoundland are of the order of $20 million, and if in fact the federal expenditures in Newfoundland, of one sort or another, are of the order of $50 million, obviously there would be some $30 million paid out more than is taken in, in direct revenue.

My hon. friend is right when he says that. But I am sure he appreciates that in the early stages of union it is perhaps not a fair test of the ultimate revenue-producing capacity of Newfoundland, nor is the amount received in revenue at the outset a fair test of the value of Newfoundland, or the contribution it may make to the Canadian federation. I do not think we can do that—and I am sure my hon. friend was not suggesting that we could. I am simply pointing out that we cannot judge this entirely in terms of either estimates or dollars and cents.

Mr. Fleming: I agree entirely with what the minister says. I would not wish anyone to think that I am basing my judgment as to the advantages of union either to Newfoundland or to Canada on these figures which have been brought out this afternoon upon inquiry. However, this is a matter of some importance, and inquiries have been made with a view to eliciting essential information. On the other side, if we were thinking in terms of a ledger balance in respect of the union, of course we would have to take account of the economic advantages accruing to both sides as a result of the increased facilities for trade, and other similar advantages. It is a separate and distinct problem.

Newfoundland

Mr. Probe: Referring to this deficit, which is estimated variously as running from $23 million to $35 million annually, as of this year, would the minister indicate what the position will be in five, ten or fifteen years. Some of these are non-recurring debts and expenditures as of this or next year. This figure, whatever it may be, of the present deficit, will be sharply or gradually reduced to what figure in what time?

Mr. Abbott: As I have often had occasion to say in the house, I claim no gift as a prophet; and anyone who could attempt to forecast what the revenues and expenditures of a province or of the dominion would be years ahead is a worker of miracles. It is absolutely impossible to make anything but a wild guess. But if one assumes that Newfoundland develops and occupies a full place in the Canadian economy, I think it is fair to assume that its revenues will expand; and my experience as Minister of Finance has been that expenditures will also expand.

Mr. Probe: Is it the minister's view that this temporary or this present apparent deficit will narrow considerably as soon as conditions stabilize?

Mr. Abbott: I should think that is bound to happen. Such matters as veterans affairs payments and transitional grants are both diminishing items. But I wish to take this occasion to say that I am never one who looks on the balance sheet of a Canadian province, the revenue from that province, or the federal disbursements in the province as a fair test of the contribution the province makes. We have "have" provinces in this country, and certain provinces which do not collect as much revenue. I am not one who accepts that as a criterion of the place that province occupies in confederation.

Mr. Probe: In section 23 it is stated that Canada will assume certain debts of the province of Newfoundland, and that the province itself will retain its surplus, as indicated in section 24. May I ask first of all in regard to section 23 whether there are in Newfoundland at the present time any arrears of debt for which Newfoundland is responsible, or for which she would be responsible if she were not entering confederation?

Mr. Abbott: No. The debt of Newfoundland has been fully serviced and all maturities have been met. The debt which Canada is assuming, as the Prime Minister explained, is its external debt, the debt which is payable in sterling. I am informed that all of that debt is now callable, if that is desired, at any time on three months' notice.

[Mr. Fleming.]

Mr. Probe: With respect to the guarantees for corporations or institutions within Newfoundland, are they also up to date or are there arrears of debts for which Newfoundland has some responsibility?

Mr. Abbott: So far as I am aware—and I am sure I am correctly informed—all obligations of Newfoundland have been fully met.

Mr. MacNicol: Mr. Chairman, I agree with some of the remarks made by the minister. I do not think we should split hairs, or be too much alarmed by a consideration of what Canada is going to get at the present time or in a certain number of years as a financial return from Newfoundland. The island has not had the opportunity it should have had. I have made an exhaustive survey of the facts, and I am convinced that it can do much better than it has done. I believe we have nothing to fear in that regard.

The railway has been mentioned. The first thing I would suggest to the minister and the government would be a plan for reservicing the railway for standard-gauge cars. It is a narrow-gauge line, and much more time is required to go from Port aux Basques to St. John's than should be required. The faster the trains could cover that distance, the more money would be made by the railway.

Therefore that is one of the first suggestions I would make, namely that it be made a standard-gauge line. Then I would suggest further equipment for the port of Port aux Basques so that larger ships, capable of carrying cars, could be unloaded quickly and reloaded rapidly at Port aux Basques. I can see myself at some time in the future boarding a train at Toronto, one properly equipped and having proper sleeping accommodation, and remaining on that train until I reached St. John's, Newfoundland. I do not see how the railway can be made to pay unless it is equipped so that people can travel on it in modern equipment.

It will take a few years to have that done; but the sooner it is done the sooner that railway will be able to produce a revenue. At the present time the passenger traffic on it is not as heavy as it should be. I have found the general service satisfactory, although the sleeping accommodation was a little cramped for me. However, a modern car would eliminate that difficulty. I found the meals quite satisfactory.

We will have an opportunity, not only to build up Canada but to build up this new province. I would not hedge at all in giving it opportunities to develop. It has vast resources of pulpwood. If the hon. member for Dufferin-Simcoe were here he could tell

the committee much more effectively than I can just what results might be expected from that pulpwood. A condition exists there that does not exist in Canada or anywhere else that I know of, although it may in Norway, whereby the forests regrow in thirty years. I never saw such forest growth in my life as I saw in Newfoundland. This is brought about by the moisture content of the air and the ameliorating temperatures, the country being of course surrounded by water.

I hope the minister does not become distracted by thinking there is any possibility that we are not going to be able to carry out our obligations. Give the island a chance and it will pay its way. It has not had a chance up to the present. The same applies to the fisheries. The whole service should be made more rapid than it is today so that people may travel back and forth more quickly. They should be able to ship more rapidly the goods they sell and in that way develop their business. The more business they do, the more they will be able to buy from us.

I made a comparison of the costs to the consumer in Newfoundland. I found that people along the coast were generally opposed to confederation. One argument I used was that it would cost them much less to live if they were part of Canada because their present rates of duty are so high. I found that the cost of ordinary groceries, food and other articles was from fifty per cent to one hundred per cent more than in Canada. If these people are given an opportunity to buy at rates comparable to what we pay, they will buy much more. That will be better for the older provinces of Canada and it will help to reduce the deficits on the railroad by providing more freight.

I am for one not going to endorse the expectation that Newfoundland is going to embarrass Canada financially. I look at the bright side of things. I think union will be most helpful to Canada. We can work together. They should be given a chance to come up to our standards in every way.

Mr. Green: Has the government any plans in mind for the promoting of industry in Newfoundland? Section 24(2)(c) reads:

> (c) no part of the surplus shall be used to subsidize the production or sale of products of the province of Newfoundland in unfair competition with similar products of other provinces of Canada, but nothing in this paragraph shall preclude the province of Newfoundland from assisting industry by developmental loans on reasonable conditions or by ordinary provincial administrative services.

Apparently that contemplates that the provincial government of Newfoundland will assist in the development of industry, but I think it is of the utmost importance that the federal government should also promote the establishment of industries in Newfoundland. We have much the same kind of problem on the west coast. There is a greater need for assistance of this kind in the remote provinces than there is in the central provinces. Can the minister tell us whether the government has in mind assisting in the development of industries in Newfoundland.

Mr. Abbott: My hon. friend will appreciate that primarily this comes under the jurisdiction of the Minister of Trade and Commerce. The minister was down in Newfoundland last week, and prior to that officers of his department, acting on the assumption that union was probable, were down in Newfoundland going over the industrial situation and making a survey of what could be done and in what way the federal government could assist, not only during the transitional period but in the development of such industries as might be suitable to Newfoundland.

The paragraph to which my hon. friend has referred was put in because, as may be seen from the section itself, Newfoundland is being permitted to retain its surplus, which amounts to some $26 million. That is a rather unusual provision when the dominion is taking over most of the debt, but it was felt that it was quite proper that that should be done and the surplus made available to the new provincial government for whatever purposes it saw fit to use it in the interests of the province. However, it was felt that it would not be appropriate that it should be used to subsidize the sale of Newfoundland products so that they might enter into unfair competition with those of the other provinces. That was a condition in the original proposals for union and it was continued in this arrangement.

Mr. Green: The minister has said that this matter of industry would come under the Department of Trade and Commerce, but I would point out to him that the industrial development bank comes under the Department of Finance. It seems to me that that bank could be of great help in Newfoundland and I should like to know whether any steps have been taken by the industrial bank authorities to see in what way they can help out in Newfoundland.

Mr. Abbott: I am glad my hon. friend raised that point. It may be premature, but it is the intention of the industrial development bank to have offices in Newfoundland, as they have in other provinces. Naturally the management of that bank will be not only willing but anxious to do what is done in

other provinces of Canada in assisting in the development of industries.

Mr. Green: I hope they will adopt a different attitude from that adopted elsewhere. During recent months we have been receiving complaints in the west that the industrial development bank is getting very sticky about assisting industry. If they adopt a policy of that kind in Newfoundland there will not be a very bright outlook for the people there.

Mr. Abbott: I do not know on what my hon. friend is basing his statement that they are becoming sticky. The management of the bank has the responsibility of making loans which have good prospects of being repaid. I think the hon. member will find when we come to consider the industrial development bank that they have been making loans in his own province and that the bank has adopted a very fair policy there, as it has in most other provinces.

Mr. Green: If the minister will check up the statements made by some of the officials of that bank and of the Bank of Canada I think he will find they were to the effect that a policy has been deliberately adopted of not being so free with loans. It is not a matter of whether the loans will be repaid; it is simply a matter of holding down expansion. There has been considerable criticism over a policy of that type being adopted on the west coast and I suggest to the minister that he check the situation because I think it is as I have stated.

Mr. Abbott: I am sure my hon. friend does not want me to debate the operations of the industrial development bank. I have been following them pretty closely and there will be an opportunity later in the session to consider its operations.

Mr. Claxton: I should like to supplement the answer of my colleague to the question put by the hon. member for Vancouver South about the promotion of industry. I can say that, in anticipation of the possibility or probability that union would take place on March 31, officers of the Department of Trade and Commerce were sent to St. John's. There is also a committee of senior officials in Ottawa specially appointed to deal with problems of the continuation and development of industry in Newfoundland. Further, a special inquiry was made by a team of officials into the prospects and outlook of the seventy-five relatively small industries that exist in Newfoundland to see by what means they could be assisted and encouraged. If the Minister of Trade and Commerce were here he would, I think, be able to give one or two rather striking illustrations of the way in which we expect that union will assist the development of industry in Newfoundland.

Mr. Green: Does the Minister of National Defence know of any definite plan for assisting industry there?

Mr. Claxton: Yes. Some steps have already been taken to meet certain special needs of Newfoundland industry—for example, in the supply of raw materials.

The Deputy Chairman: We are dealing with section 24. When the hon. member for Vancouver South rose I was just about to ask the committee if they would carry section 23. I wonder if they would do that now?

Mr. Macdonnell (Muskoka-Ontario): As I understand it, we still have to get certain information which has been asked for under section 23, and which the Minister of Finance is to give us tomorrow.

Mr. Abbott: Whether it comes under section 23 or section 24 is immaterial. Section 23 happens to relate to the assumption of the debt. I undertook to obtain for the hon. member for Rosedale, and I should be able to have it at the opening of the house tomorrow afternoon, a statement by main heads of the major items of expenditure. I could not give it to him broken down by individual departments, but I presume the committee want to know the main headings showing how the figure of $50 million which I have given is made up. I hope to be able to have that tomorrow afternoon. There are, of course, a great many non-recurring items in that figure. There are amounts which have to be paid in adjustment of accountable advances, taking over consumable stores, and that sort of thing, which are referred to in the document. I will have that statement available for the committee tomorrow afternoon.

Mr. Macdonnell (Muskoka-Ontario): I would suggest that section 23 be left over. It seems to me it is always better to have a section still under review, and not be discussing it afterwards when it is supposed to have been passed. Then we seem to be at a disadvantage in asking questions.

The Deputy Chairman: I should like to say to the hon. member that the only point I had in mind was to keep things in order. I wanted to keep the record straight. But if the committee decides to let section 23 stand, that is all right.

Mr. Abbott: For instance, I could give the information under section 26, which provides for the financial payments to Newfoundland. I think it is immaterial under which section I give it.

Mr. Jackman: The minister has been good enough to say he will give a breakdown of probable expenditures. Will he also give us a breakdown of the estimated federal revenue? We have been given two figures, $20 million and $27 million. I am sure that each of the items which go to make that up—and there are about nine or ten listed in the pamphlet—was the subject of considerable discussion between our delegation and the Newfoundland delegation. I believe we are entitled to know on what the estimate is based.

Mr. Abbott: I could give that at once. I have that here if my hon. friend wishes it, but I have to put the expenditure item over until tomorrow.

Mr. Jackman: If the minister would table it, I think it might be quite adequate.

Mr. Abbott: Perhaps I might do that at the same time tomorrow afternoon.

Mr. Jackman: May I ask the minister whether or not there are any outstanding tax agreements between Newfoundland and any taxpayers in the former dominion. If there are any such agreements, is it to be the policy of Canada to honour them?

Mr. Abbott: On the question of the agreements to which my hon. friend refers, the colony or dominion of Newfoundland has entered into agreements, for income-tax concessions and customs concessions, with certain corporations in Newfoundland. In the terms of union there is a provision, section 27, subsection 4, which reads:

> The government of the province of Newfoundland shall not, by any agreement entered into pursuant to this term, be required to impose on any person or corporation taxation repugnant to the provisions of any contract entered into with such person or corporation before the date of the agreement and subsisting at the date of the agreement.

The "term" referred to in that clause is the term enabling them to have a tax agreement with the dominion. The tax concession agreements to which my hon. friend has referred are agreements which of course were entered into with the government of Newfoundland and not with the government of Canada. The policy to be followed with respect to those agreements will be a matter for this parliament to decide.

Mr. Jackman: The minister does not care to express an opinion on the policy which he thinks would be a fair one in the circumstances? After all, there are certain agreements in Newfoundland with high contracting parties, certain sovereign powers. I presume those agreements might be respected in the same way as taxation agreements. In other words, would the minister care to say whether the policy in the case of a high contracting party such as the United States will be different from the policy for an ordinary taxpayer?

Mr. Abbott: Of course, the agreements to which my hon. friend refers are contracts, and there is in the terms of union nothing that deprives the contracting parties, the beneficiaries of these tax concessions, of any legal right which they have. Newfoundland will of course become a province of Canada, and residents of Newfoundland will become subject to Canadian laws.

The Deputy Chairman: Order.

Mr. Fleming: There is one point I should like to raise. Someone suggested that the information should be tabled. I suggest that it ought to be put right into *Hansard*.

Mr. Abbott: It is not lengthy, and I think my hon. friend's suggestion is a fair one. I will put on *Hansard* early tomorrow afternoon the heads of estimated expenditures and the heads of estimated revenues.

Sections 23 and 24 stand.

Progress reported.

PRIVILEGE

REFERENCE TO REMARKS OF MR. ABBOTT IN ANSWER TO QUESTION ON THE ORDERS OF THE DAY

Mr. Alan Cockeram (York South): Before the house adjourns, I rise to a question of privilege. I did not do so earlier for the reason that it was necessary for me to check the *Hansard* record to make sure of the words used by the Minister of Finance (Mr. Abbott). I wish to refer to the statement made by the Minister of Finance earlier this afternoon in which he implied that, in putting the question I asked before the orders of the day, I did so as a representative of special interests. Referring to myself he said:

> I am aware of the special interest which he has in the matter.

I ask the Minister of Finance to withdraw that statement. I asked the question because the gold mining industry has a far-reaching influence on the general economy of Canada, and on the welfare of every Canadian citizen. My only interest is that of a Canadian, and I resent the imputation contained in the minister's words.

Mr. Abbott: Mr. Speaker, of course I have nothing to withdraw.

Mr. Cockeram: You certainly have.

Mr. Abbott: I said what I know to be a fact. My hon. friend has a special interest in the subject on which he questioned me. I

have reason to know that, because on numerous occasions he has spoken to me about it; he has made numerous speeches in the house on the subject, and I made a completely accurate statement of fact.

Mr. Cockeram: Mr. Speaker, I object to this whole proceeding, because I have never obtained an honest or frank statement from the minister on any question I have asked in this house. He always comes back with a flippant reply which does not mean a thing.

Mr. Abbott: If I were given to rising on questions of privilege I would ask my hon. friend to withdraw the statement that he has never received an honest statement from me, but knowing my hon. friend as well as I do I will not bother to ask him to withdraw it.

Mr. Drew: Mr. Speaker, because of the particular manner of the reply that has been made by the minister, there can be no doubt whatever that the words implied a special interest on the part of the member, and he should withdraw that imputation.

Mr. Cockeram: I am not prepared to let it go at that. The manner in which the minister made that statement implied dishonesty or some such thing on my part, and I want him to withdraw.

Mr. Speaker: I believe both sides of the house have accepted the statement made by the hon. member, and the statement made by the minister. I do not believe the character either of the member or of the minister has been assailed. There is no doubt about the honesty of either, and I think both sides should be satisfied.

BUSINESS OF THE HOUSE

Mr. Knowles: What is the business for tomorrow?

Mr. St. Laurent: The business for tomorrow will be the same program as we have had today, with the exception that there are no questions or notices for the production of papers.

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

HOUSE OF COMMONS

Thursday, February 10, 1949

The house met at three o'clock.

HOUSING

FRASERVIEW VETERANS RENTAL PROJECT, VANCOUVER

On the orders of the day:

Mr. Howard C. Green (Vancouver South): On Monday last the Minister of Reconstruction and Supply promised to have a further investigation made of the Fraserview building project in Vancouver, in order to see if there was not some way in which the several hundred people already living in the area could be protected against interference with their property by Central Mortgage and Housing Corporation. In the intervening days I have received many heartrending letters from these people, and it would appear that the actions of the corporation have been unbelievably arbitrary and annoying. If the minister acts at once, it should be possible to have this sweeping expropriation plan altered. Can the minister make a further report today? I suggest that he himself take a plane to Vancouver and have this question settled.

Hon. Robert H. Winters (Minister of Reconstruction and Supply): In reply to the question now asked by the hon. member, and to the supplementary question put by him last Monday, as reported at page 281 of *Hansard*, I would say that this subdivision is similar to that on Renfrew Heights. It seemed to lend itself well to development of this kind. Where so many veterans are involved, in such a large project it appeared desirable to develop it along lines other than those of the general grid type of development. The number of properties that are privately owned is relatively small.

Mr. Green: About three hundred.

Mr. Winters: The bulk of the land is tax-sale property now owned by the city of Vancouver. The general plan was developed jointly by the planning board of the city of Vancouver and the Central Mortgage and Housing Corporation. It was then revised in such a way as to result in the least possible disturbance to private property owners. It is, however, still under consideration. In order to minimize disturbance to present property owners, every attempt will be made to make whatever adjustments are indicated and still allow the general plan to proceed. To assist toward that end, an official of the Central Mortgage and Housing Corporation is being sent to Vancouver this week end to go into the outstanding problems and to see what can be done to arrive at mutually satisfactory understandings.

Mr. MacInnis: As this project happens to be in the constituency I represent, I should like to add something to what has been said by the hon. member for Vancouver South (Mr. Green). I received today a sheaf of protests, and I tried to get in touch with Central Housing and Mortgage Corporation for clarification. I understood that the parliamentary assistant would see us this afternoon, and I did not take the matter any further. I believe that Central Housing and Mortgage Corporation has failed to do a public relations job.

Mr. Winters: I might say that there is no parliamentary assistant in this department. I should be pleased to see the hon. members myself.

Mr. MacInnis: Sorry; I was thinking of the minister's former position.

CHORLEY PARK—CHRISTIE STREET HOSPITAL

Mr. T. L. Church (Broadview): Has the minister been able to come to any determination about the use of Chorley Park and the old Christie Street hospital for housing and civilian hospital purposes?

Hon. Paul Martin (Minister of National Health and Welfare): The hon. member asked a question about this matter yesterday. That institution is one which is under the jurisdiction of the provincial government. It is a matter over which we have no control, and, as my hon. friend will appreciate, there is nothing we can do about it.

Mr. Church: That was with reference to the Toronto jail farm at Lansing, not the old Christie Street hospital or Chorley Park. I should like to hear from the Minister of Veterans Affairs and the Minister of National Defence about these matters, because the people are without homes and have no place to go. They have been turned out.

Hon. Milton F. Gregg (Minister of Veterans Affairs): In so far as the hon. member's question refers to the old Christie Street hospital, I can assure him that the matter is under study and will be dealt with as soon as possible.

Inquiries of the Ministry

LABOUR CONDITIONS

UNEMPLOYMENT IN VANCOUVER

On the orders of the day:

Mr. Angus MacInnis (Vancouver East): I should like to direct a question to the Minister of Labour. Has his attention been directed to the serious unemployment situation in the city of Vancouver, and is the government giving consideration to assisting the employable unemployed who have no unemployment insurance entitlement or who have exhausted their benefits?

Hon. Humphrey Mitchell (Minister of Labour): My attention has been drawn to the condition referred to by the hon. member for Vancouver East. In reply to an inquiry which I made, the regional superintendent of the unemployment insurance commission at Vancouver sent me a telegram advising me that in his opinion the principal reason for the increase in the number of unemployed was the large influx of persons from other provinces, plus exceptional weather conditions which have retarded logging operations and building construction projects. A greater number were getting unemployment insurance benefits because of the expanded coverage and increase in the labour force of the province. But notwithstanding that, Mr. Speaker, I am sure my hon. friend will agree with me that British Columbia is a pleasant place in which to spend the winter.

Mr. Coldwell: Sometimes.

An hon. Member: Not lately.

Mr. Speaker: Order.

Mr. Mitchell: I think that is indicated by the smiles of hon. members from British Columbia. But I would point out that some people have to stay in areas in which there is a cold climate, in order to take their part in the nation's production.

Mr. Campbell: Cold comfort.

Mr. Mitchell: I can understand that, coming as it does from the hon. member for Peterborough West.

Mr. Fraser: Mr. Speaker, I will take all kinds of comments, but the member for Peterborough West did not make that remark. I think the minister should direct his remark to the member on my left who made the interjection.

Mr. Mitchell: I regret having said what I did to my hon. friend. I thought it was the hon. member for Peterborough West who made the interjection. However, the observation still stands. I think I should say that when people move from one part of Canada to another they should remember that there are certain responsibilities which fall upon the individual rather than upon the state. If I decided to live in British Columbia—not that I particularly want to do that—before leaving Ontario I think I would make sure that I did not become a charge on the state when I arrived there.

Mr. MacInnis: A charge on the state?

Mr. Mitchell: I am saying a charge on the state.

Mr. Fraser: That is a question.

Mr. Mitchell: To emphasize what I have just said, may I give these figures. In January, 268 families moved from Saskatchewan to British Columbia, 260 from Alberta, 77 from Ontario, 64 from Manitoba, 12 from Nova Scotia and 5 from each of the provinces of Quebec and New Brunswick. These figures for one month give hon. members an indication of the number of people who move into that province during the winter months. I would also point out that the amount of money paid out in November, December and January by the unemployment insurance commission was $2,650,954.81, of which $1,462,296.61 was paid out in the city of Vancouver.

Last fall I made a radio broadcast, directed to Ontario and the prairie provinces, advising people not to go to British Columbia during the winter months. It was almost prophetic. I was not responsible for the weather there, which has been the reason for some of the present unemployment in that province. I must emphasize that people who go there in the winter months must do so on their own responsibility.

There is no federal provision for the payment of monetary assistance to unemployed employables who are not eligible for unemployment insurance benefits or who have lost their entitlement to such benefits because of having been out of work for a considerable time.

Mr. Green: May I ask a supplementary question? I take it from the last part of the minister's statement that the dominion accepts no responsibility whatever for the employable unemployed.

Mr. Mitchell: That is substantially correct at the moment, yes.

Mr. Pearkes: May I direct to the Minister of Mines and Resources a question which has some bearing on the statement just made by the Minister of Labour? Will the minister now consider returning the meteorological station to Victoria—because ever since the government moved it to Vancouver the weather in British Columbia has been growing steadily worse.

FAMILY ALLOWANCES

DATES OF BIRTH OF ADOPTED CHILDREN—FORM LETTER 331A

On the orders of the day:

Mr. Roland Beaudry (St. James): I should like to direct a question to the Minister of National Health and Welfare. Is the minister aware of the fact that the family allowances office in Quebec has been sending out family allowances form letter 331A to parents in the province, asking, among other things, a question about the dates of birth of adopted children? If so, did the minister himself authorize the issuance of the letter in its present form? If not, will he not order a revision of this form letter?

Hon. Paul Martin (Minister of National Health and Welfare): The hon. gentleman was kind enough to give me notice of his question.

The form letter referred to was sent out in all cases where dates of birth, including those of adopted children, could not be verified from provincial vital statistics records. In such cases the experience has been that the child's birth had never been registered, and it is necessary for the family allowance officials to request the help of the parents themselves in furnishing information as to the date of birth. Adopted children are of course eligible for family allowances on the same basis as any other children. In order that the correct amount may be paid, and that duplicate payments for the same children under two different names may be avoided, it is necessary, of course, to establish the correct dates of birth. I may say that in all cases where parents had advised the family allowance officials on their original family allowances application form that the child had been adopted, this form letter was not sent out.

The purpose of the form letter was solely to verify the date of birth of the children in question. Since the hon. gentleman has brought the matter to my attention I am having the form letter looked at to make sure whether or not in the circumstances a revision is desirable.

TRANS-CANADA AIR LINES

PRESS REPORT AS TO TRANSFER TO CANADIAN PACIFIC OF OPERATIONS FROM WINNIPEG WEST

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Minister of Transport. Is there any basis for the press report of a short while ago to the effect that the Trans-Canada Air Lines operation from Winnipeg west might be turned over to the Canadian Pacific Air Lines?

Hon. Lionel Chevrier (Minister of Transport): The hon. gentleman sent no notice of his question, but notwithstanding that, I may tell him that I have had no notice or advice of the action which he has in mind, and neither, I am sure, has my colleague the Minister of Trade and Commerce.

Mr. Knowles: It is not a matter as to which the government would get notice from T.C.A. It is a matter of government policy.

Mr. Chevrier: So far as government policy is concerned with reference to T.C.A., it has been announced, and if there is any change it will be made known.

Right Hon. C. D. Howe (Minister of Trade and Commerce): As minister responsible for T.C.A. I should like to say there is absolutely nothing in the suggestion.

Mr. Knowles: Good. That is the answer we want.

GOLD

SALES FROM SOUTH AFRICA AT PREMIUM OF $6.50 PER FINE OUNCE

On the orders of the day:

Mr. Harry R. Jackman (Rosedale): I should like to direct a question to the Minister of Finance. In view of the approval by the international monetary fund of the sale by South Africa of newly-mined alloy gold to be used only for industrial or professional work at a premium of $6.50 a fine ounce over the fund's price of $35 a pure ounce, will the government extend the same right to Canadian gold producers?

Hon. Douglas Abbott (Minister of Finance): Again I am caught by surprise by one of these gold questions, but I am very glad to answer my hon. friend. I have no official information yet as to just what has taken place with respect to the gold sales in South Africa. I was informed this morning that the matter is under consideration by the international monetary fund, and when I have a report as to the decision which the fund has made, I shall be glad to communicate it to the house.

VETERANS AFFAIRS

DISTRIBUTION OF MEDALS AND CAMPAIGN STARS

On the orders of the day:

Mr. J. O. Probe (Regina City): I should like to direct a question to the Minister of National Defence, of which I sent him notice. Will the minister please inform the house what progress is being made with respect to the

distribution of military decorations receivable by participants in world war II?

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, I am sorry I did not get notice of the hon. member's question, but I did answer the question the other day.

WHEAT

REPORTED PURCHASE OF 120 MILLION BUSHELS IN CANADA BY ECA

On the orders of the day:

Mr. A. L. Smith (Calgary West): Mr. Speaker, I wish to ask a question of the Minister of Trade and Commerce. In doing so I am not going to say a great deal, and I do not wish to be shouted down until I have said a word or two. Again in last evening's newspaper there was a dispatch from Washington which said definitely that Mr. Ralph A. Trigg, president of the Commodity Credit Corporation, stated in evidence before the senate committee on agriculture that they were buying from Canada 120 million bushels of wheat at $2 a bushel. Having regard to his answer given yesterday as to general procedure, at which time he told us what would happen normally, I ask the minister if he will have someone make an investigation and let us know exactly what the position is. Perhaps he would do that tomorrow or Monday or Tuesday.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, no investigation is necessary. A sale of the magnitude mentioned by my hon. friend would not escape the notice of the government. In the first place I will tell him we have not that quantity of wheat to sell, and we have not had for a great many months. Obviously if he is referring to a price of $2 a bushel, that is the price referred to for deliveries of wheat under the contract with the United Kingdom. That is the only wheat that is sold at $2 a bushel. The amount of the contract is 140 million bushels for the crop year 1948-49.

Mr. Smith (Calgary West): I will send the dispatch over to the minister now.

NEWFOUNDLAND

APPEAL TO PRIVY COUNCIL BY APPLICANTS FROM NEWFOUNDLAND

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to ask a question of the Prime Minister. In view of the announcement that the right to appeal to the privy council has been granted to certain appellants in Newfoundland with regard to Newfoundland's part in the agreement for union with Canada, has the Prime Minister taken into consideration what effect, if any, that would have upon the discussions now taking place in the house?

Right Hon. L. S. St. Laurent (Prime Minister): I have no information other than that gathered from the newspapers. However my understanding of the situation is that an action was instituted in the courts of justice of Newfoundland, and on motion it was dismissed as being frivolous and vexatious. An appeal was then taken to the appeal court of Newfoundland, and that appeal was dismissed, the appeal court confirming the opinion of the first judge that it was frivolous and vexatious. Now the newspapers report that leave has been granted to appeal to the privy council from the decision that the proceedings were frivolous and vexatious. Even if that appeal were heard, and even if it were allowed, it would not mean anything more than that the plaintiffs in the case would have the right to proceed on the merits of their suit; it being merely a pronouncement on a question of procedure. In view of the attitude taken by the government of Newfoundland as to the terms of this agreement, and the time limit for accomplishing the further proceedings required to bring it into effect, there should be no delay on our part in asking parliament to confirm the agreement.

HOUSE OF COMMONS

INQUIRY AS TO SETTING UP OF SPECIAL COMMITTEE ON RADIO BROADCASTING

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, on two occasions the Minister of National Revenue (Mr. McCann), in response to inquiries as to the setting up of a special committee on radio broadcasting, has left the impression that a committee would be called together if the desire to have that committee were made evident. I wish to leave no doubt that we are anxious to have a special committee proceed with an inquiry; therefore I wish the minister would deal with the matter on the understanding that there is a request that a special committee be appointed to deal with the subject as soon as possible.

NEWFOUNDLAND

APPROVAL OF TERMS OF UNION WITH CANADA

The house resumed from Wednesday, February 9, consideration in committee of Bill No. 11, to approve the terms of union of Newfoundland with Canada—Mr. St. Laurent—Mr. Macdonald (Brantford City) in the chair.

The Chairman: When the committee rose last night, section 23 had been allowed to stand.

On section 23—*Debt.*

Hon. Douglas Abbott (Minister of Finance): When the committee rose yesterday afternoon I had promised the hon. member for Rosedale (Mr. Jackman) that I would get and give to the committee information respecting estimates of federal revenues and expenditures in Newfoundland. I am prepared to give those estimates now.

First, may I say that it is with some hesitation that I put these figures on the record, because, unless one understands the basis upon which they are prepared, they may be misinterpreted and misunderstood. It is extremely difficult, in fact almost impossible, to make an accurate calculation of revenues derived from a particular province. It is difficult enough, as I have reason to know, to make an accurate calculation of future revenues from the whole of the country. But to determine, for example, the matter of customs duties derived from a particular province is almost impossible. In that respect, at best it can only be an informed guess.

In the case of Newfoundland it was particularly difficult to make an accurate forecast, because substantial changes will occur in the economy of the province at the time of union. The whole course of trade may be altered to some extent through the elimination of tariff barriers between Canada and Newfoundland. In addition, the Newfoundland statistics are not as well developed as statistics here in Canada. However, when the delegates from the national convention were in Ottawa in 1947, we did endeavour to make a rough estimate of the probable additions to Canadian revenue as a result of the union. Those are the figures which appear in the white paper of October 29, 1947. At that time our knowledge of the Newfoundland economy was somewhat less complete than it is today, and some of the estimates were based on faulty assumptions.

The most important reason for making alterations in the figures, however, is not the improvement in the sources of information, but the continued rise in the national income of Newfoundland, which was not foreseen in 1947. As hon. members will recall, our own budget estimate of revenues for that year was on the low side, and for exactly the same reason. As was indicated the other day, when the Newfoundland delegation were in Ottawa last summer they submitted revised estimates of what they considered would be the additions to our Canadian revenue. Officers of my department have gone over those estimates, and they are inclined to think that they are probably much closer to the truth than the estimates prepared the year before. This is partly due to the fact that the Newfoundlanders themselves have a closer acquaintance with local conditions and also that revenues were higher in 1947 than we had estimated and have risen still higher. I should like to place on *Hansard* a statement giving the comparative figures for the two years. The statement follows:

Heads of Revenue	Original Canadian estimate as in white paper October 29, 1947	Newfoundland estimate
Personal income tax	$3,200,000	$6,183,000
Corporation income tax including withholding tax	7,500,000	7,500,000
Succession duties	320,000	100,000
Customs and import duties	2,000,000	3,415,000
Liquor taxes	400,000	602,000
Tobacco taxes	500,000	2,857,000
General sales tax	4,000,000	4,000,000
Miscellaneous excise duties, etc.	1,500,000	1,500,000
Post office	750,000	750,000
Bullion, coin, etc.	15,000	15,000
	$20,185,000	$26,922,000

If any of the revised figures for revenue were to be criticized I would be inclined to think that the personal income tax figure is on the high side. But as I have said, these can at best be but guesses and subject to errors which might well run into several million dollars. Moreover, they are based on present rates of taxes and are therefore valid just as long as the present rates are in effect. That is another reason why I hesitate to put them forward as indicating permanent sources of revenue over the long pull.

Then with regard to expenditures, first of all I would draw the attention of the committee to the fact that the figures to which some hon. members have referred and which were given to the delegation from the national convention were based on estimates of the cost of extending federal services to Newfoundland in a typical year rather than in a particular year. If hon. members will examine the table in the white paper that follows they will see that that point is brought out very clearly. Therefore, none of the temporary or unusual expenditures that might be expected at the time of union could be included.

That is one reason why the figures are quite different from the 1947 estimates. Let me put it another way. The 1949-50 estimates were made when most of the costs could be foreseen and provided for, whereas the 1947

estimates were merely an indication of how much federal expenditures might be increased in some typical future year.

The table follows:

Heads of expenditure	Original estimate for a typical year	Estimate for fiscal year 1949-50
1. Tax agreement payment (including statutory subsidies)	$6,820,000	$7,800,000
2. Old age pensions	2,000,000 to 2,600,000	2,700,000
3. Family allowance payments	8,350,000	8,400,000
4. Departmental expenditures	9,400,000	22,000,000 (including capital and non-recurring items)
	$26,570,000 to 27,150,000	$40,900,000
	Additional	
Transitional grant	$3,500,000	$6,500,000
Cost of servicing debt	2,800,000	2,800,000
		$50,200,000
Chief reasons for increase:		
Increased veterans benefits		$1,500,000
Health grants		1,000,000
Increased tax agreements payments		1,000,000
Public works (purchase of buildings harbour installations, maintenance, new construction, etc.)		7,500,000
Unemployment assistance		2,000,000
Transitional grants		3,000,000

As hon. members of the committee are well aware, costs as well as revenue have risen since 1947, and for much the same reason. For example, the tax agreement payments are expected to be at least $1 million higher than the 1947 estimate. A third reason why costs are higher—I am referring here to expenditures which are a cost to the dominion treasury—is the fact that the terms of union extend to Newfoundland certain additional benefits which were not in the original proposals, such as re-establishment credits to veterans. It is also provided that Canada will take over certain services which it was originally contemplated would remain with the new province. In that regard I am thinking particularly of certain fisheries services. Then the Canadian government has introduced a system of health grants in which Newfoundland would undoubtedly participate on a major scale.

On looking over the estimates which have been submitted to me this year by the various departments I find that they are not altogether comparable with the estimates prepared in 1947. In one case, that of the Department of Transport, figures have been put in on a gross basis with no account being taken of offsetting revenues in connection with air services and so on. In the figures for 1949-50 I have made some offsets.

I want to stress again that the figures I have given are only estimates and that detailed consideration by the treasury board has not yet been completed. Also the departmental estimates as such have not been finalized, if I may use that word. The total of expenditures under these headings, if my addition is right, is approximately $50,200,000.

No firm estimate has yet been made of possible railway deficit, but I might say that it was originally estimated that the deficit on the operations of the Newfoundland railway would run to something over $1,500,000.

I cannot stress too strongly that these are only the best estimates that I can give at the moment and we must not be held to them as being firm figures. As I said before, detailed estimates have not yet been finally considered and approved.

Mr. Church: I should like to ask the minister a question with reference to the Quebec, North Shore and Labrador railway and the many natural resources to be found in that part of the country. My question relates particularly to section 23, section 24 and section 27, subsection 4. First with regard to section 23. There was some discussion in the British house regarding this matter shortly after the decision of the privy council in connection with Labrador had been handed down. At that time Newfoundland did not have a government of its own; it simply had a governor and a trusteeship.

Was any survey made under section 23 by the government of Canada in connection with the Loan Act of 1933 and the sinking fund established under that act? Certain parties in the parliament across the waters, who were opposed to the union of Newfoundland and Labrador, contended that the fund was not in a liquid state, and Canada assumes a debt accordingly. That is in so far as borrowing is concerned in connection with the sinking fund, for payment of the debt when due. I was wondering if any actuarial report had been received, because I cannot find it in *Hansard*.

The last question I have to ask is with regard to an agreement which was made by the government of Canada in a bill passed in 1947, involving the Quebec, North Shore and Labrador railway. By that legislation natural resources, power sites, pipe lines, ocean services, hotel services, public lands, wharves, railways, and so on, were given away. I was on the committee at the time. With respect to this private company, has the government of Canada any agreement with Newfoundland about what is to be done regarding the financial set-up of these Labrador properties, their use and purchase? The

minister referred to section 27. Subsection 4 of that section reads:

> The government of the province of Newfoundland shall not by any agreement entered into pursuant to this term be required to impose on any person or corporation taxation repugnant to the provisions of any contract entered into with such person or corporation before the date of the agreement and subsisting at the date of the agreement.

As I see it, union with Newfoundland would mean that any agreement made by a Canadian corporation with the government of Canada would not be affected. I was glad to see, when the committee studied that particular bill in 1947, that they made the provision that it would be subject to the companies getting approval of their charter powers, and to consent of Newfoundland, the dominion of Newfoundland or the province of Newfoundland. Is that not so? I should like to find out from the minister if that is not so.

Mr. St. Laurent: I listened as attentively as I could to the hon. member's questions, and they are quite involved. I should like to be as accurate as possible in giving an answer, and I think it will be necessary for me to see and consider the context of his questions in order that I may supplement what I am prepared to say at this moment. I think the hon. member is under a false impression if he feels that any agreement was made in 1947 between the applicants for a railway charter and the government of Canada. There was no such agreement. In conformity with the requirements of the constitution, and the requirements of the Railway Act, persons wanting to construct a railway connecting any part of Canada with another country, or which would be interprovincial, have to get a charter from this parliament. The charter they obtain from parliament does not give them rights in any property. It merely gives them the capacity to exercise the powers of a railway company in accordance with the Railway Act. In 1947, when these applicants were given a railway charter, it was expressly provided that, although they would have the capacity to operate a railway outside Canada, we were not giving them the right to operate one. We were just creating them as a corporation which would have the capacity to operate a railway in Newfoundland territory if it secured permission from Newfoundland to do so. We could not give them any rights in Newfoundland territory, but we could give them the capacity of a corporate body which might receive from the government of Newfoundland the right and privilege of operating a railway there.

With respect to the hon. member's reference to subsection 4 of section 27, I think it might be better to deal with that when we come to section 27. It is something that is not designed to apply to that railway at all, but to enable the government of the province of Newfoundland to respect any agreements it may have made with any company, and to provide that it will not be required in making a tax agreement to impose taxes upon corporations with whom it may have an agreement not to do so. The hon. member will remember that, in the tax agreements with them, the Canadian provinces were required to impose a five per cent tax on the income of corporations derived from business transacted within their limits. The Newfoundland delegation said, "We have certain agreements whereby we have commuted the taxes of commercial corporations." They said that they did not want to enter into an agreement that would require them to commit a breach of any previous agreement. Subsection 4 of section 27 was put in for that purpose, but it was not contemplated in any way that it would apply to running rights that may have been granted by the government of Newfoundland, over territory of Newfoundland, to this railway company that was incorporated by parliament in 1947.

Mr. Knowles: I should like to say something further about this same subject, namely, the Quebec, North Shore and Labrador railway, but it does seem to me that the Prime Minister is right, that it hardly comes in here. Perhaps we can discuss it under section 37, which has to do with natural resources, or at least on some section more appropriate than this one.

Mr. St. Laurent: Perhaps it could be brought in incidentally under subsection 4 of section 27, which refers to agreements made by the government of Newfoundland. My view is that this subsection was not specifically designated to affect the Quebec, North Shore and Labrador company, but it may be there were contracts that are still in existence, and to which the language of subsection 4 could apply.

Mr. Knowles: I should be glad to leave it until we reach that section.

Mr. Nicholson: I should like to have the ear of the Minister of Transport for a few minutes. He was not present yesterday when I raised the problem of transportation in Newfoundland. I drew attention to part II of the report of meetings between the two delegations, which mentions that in connection with the railway it will cost approximately a million dollars a year for the next ten years to place the railway in condition, and $7 million for rolling stock. There is a note to the effect that the deficit for 1944-45 amounted to $525,000, and for 1945-46 it amounted to $698,000.

Mr. St. Laurent: Would the hon. member permit me to say that I think he should probably wait until we are dealing with paragraph (a) of section 31 which refers in terms to the Newfoundland railway, the taking over of that railway, and the carrying on of its operations by the Canadian government.

Mr. Nicholson: The financial aspects are really what I wanted to discuss. The Minister of Finance gave a very low estimate. The Minister of Finance gave an early estimate, I would think, in the light of past performance, and the Minister of Transport was not here yesterday when I mentioned that freight rates in Newfoundland are about twice as high as in the maritimes. In this report I find that the present rate on whale oil from St. John's to Moncton is $1.25, while the projected rate under the Maritime Freight Rates Act is 60 cents. The rates on whale guano are $1.25 and 60 cents; on lingon berries, $1.65 and 90 cents; on cod fillets, $1.40 and 75 cents. The same thing applies to commodities moving to St. John's. The rate on fresh meat from Moncton is $1.24, and the new rate will be 73 cents. The rate on condensed milk is $1.58, and the new rate will be $1. I also understand that present wages in Newfoundland are a good deal lower than in Canada, and that they are to be brought up to Canadian rates. I wonder if the Minister of Transport will indicate how the estimate of one and a half million dollars was reached.

Mr. Abbott: I said that was an early estimate, and we must not be held too closely to it. That estimate was made in 1947. As yet we have made no estimate beyond that which I gave today.

Mr. Nicholson: I think the minister revised his figures yesterday. I believe some member of the government should bring us up to date and give us some idea of the situation. Before many weeks I imagine the Minister of Finance will have to bring supplementary estimates before the house, and I should think at this stage he would be able to give us some idea.

Mr. Chevrier: Perhaps I can answer in a general way the questions the hon. gentleman has in mind. I believe he is raising three points now, though I did not see the questions he asked yesterday, and I am sorry I was not here at the time. In reference to the present financial position of the Newfoundland railway, the information we have at the moment is that it operates on a fiscal year basis, and that for the year 1948 there is a deficit of something in the neighbourhood of $2,200,000; and that if the Canadian National Railways were to take it over under the terms of section 31, because of the increased cost of materials, the increased wages and other incidentals in connection with the Newfoundland railway, the deficit would be in the neighbourhood of $3 million, perhaps $2,800,000 odd.

Then the hon. gentleman asked about the matter of wages. Unquestionably the wages of the employees of the Newfoundland railway will be brought up to the level of those of the Canadian National Railways.

He also asked some questions in reference to rates. I am unable to go into the detailed rate structure, which would be a matter of some length and would require a great deal of technical knowledge. I can tell him, however, that it is the intention to apply to the new province of Newfoundland the same basic rate structure which now applies to the maritime region. In other words, the basic rate structure which exists today in the three maritime provinces would be made applicable to the province of Newfoundland. That would mean, I should think, a considerable decrease in those rates. What it may be in the way of percentage it is difficult to say, because there are hundreds and even thousands of rates. The Canadian National Railways, were they to take over the Newfoundland railway, would file with the board of transport commissioners the basic rate structure for the island, and thereafter anyone who felt discriminated against could make an application to the board in accordance with the terms of the Railway Act and have his case adjudicated upon. I am informed upon fairly good authority that rates will be substantially lower than they are in Newfoundland at the present time.

I think I have covered the main points raised by my hon. friend.

Mr. Nicholson: I wonder if the $3 million deficit mentioned by the minister included the proposed expenditure of $1 million a year for ten years on improving the road. I believe the expenditure of $10 million over a ten-year period is mentioned in order to put the line in better shape.

Mr. Chevrier: No; this is an operating deficit only.

Mr. Nicholson: On the basis of the lower rates or on the basis of the prevailing rates?

Mr. Chevrier: I would think it would be on the basis of the rates that will be made applicable after union. When my hon. friend refers to the expenditure over a period of some years, there is provision for capital expenditure in 1949 by the Canadian National Railways of $925,000 for equipment already ordered by the Newfoundland railway, and $500,000 for additions and betterments.

Mr. Nicholson: Two other items were not mentioned by the Minister of Finance in his estimate of expenditures. The first was unemployment benefits. On page 63 of the report and documents I notice this provision:

> Residents of Newfoundland in insurable employment who lose their employment within six months prior to the date of union and are still unemployed at that date, or who lose their employment within a six months' period after that date, will be entitled for a period of six months from the date of union or six months from the date of unemployment, whichever is the later, to assistance on the same scale and under the same conditions as unemployment insurance benefits. The rates of payment will be based on the individual's wage record for the three months preceding his loss of employment. The cost of this assistance will be borne directly out of moneys appropriated by parliament for the purpose and not out of the unemployment insurance fund.

Mr. Abbott: If the hon. gentleman had listened to my statement, in the figures I gave a little earlier this afternoon I mentioned a figure of $2 million for unemployment assistance.

Mr. Nicholson: A further question was asked by the hon. member for Eglinton as to the estimated cost of national defence. I notice according to the press that while in Washington the Prime Minister plans to discuss the taking over of the United States bases in Newfoundland. At a meeting I heard the Minister of Finance address in Wolfville, I remember he said that the cost of defence is going up, and that every time we take three hundred men into the service we have an additional expenditure of around $1 million a year. I wonder if the Minister of Finance or the Prime Minister would indicate the estimated expenditures for defence.

Mr. Abbott: I cannot give any separate item for defence. The additional expenditures for defence in Newfoundland are included under the heading of departmental expenditures of $22 million which I gave a moment ago.

Mr. Raymond (Beauharnois-Laprairie): I should like to have some information about a loan made to Newfoundland in 1931 or 1932 and guaranteed by the government of Canada. If my memory is correct, in 1931 or 1932, under the administration of Mr. Bennett, the government of Newfoundland arranged a loan of $625,000 from four banks, the Bank of Montreal, the Royal Bank of Canada, the Canadian Bank of Commerce, and the Bank of Nova Scotia, which loan was guaranteed by Canada. Is that loan still outstanding, or what has happened to it?

Mr. Abbott: I shall have to verify this, but I do not think it is still in existence; I believe it has been paid off. If such a loan were in existence, of course it would be a dollar loan and would be taken over by the province of Newfoundland; but I think I am correct in saying it has been paid off. Yes; it is no longer in existence.

Mr. Raymond (Beauharnois-Laprairie): Then in a letter addressed to the governor of Newfoundland by Mr. Mackenzie King, then Prime Minister, on October 29, I read this:

> I feel I must emphasize that as far as the financial aspects of the proposed arrangements for union are concerned, the government of Canada believes that the arrangements go as far as the government can go under the circumstances. The government could not readily contemplate any change in these arrangements which would impose larger financial burdens on Canada.

Would the Minister of Finance be kind enough to tell me what is the difference between the offer made prior to October 29 and the burden we are assuming at the present time.

Mr. Abbott: To answer my hon. friend briefly, the difference is the increase in the transitional grant by approximately $3,500,000 in the first year and on a descending scale. There is a total over-all increase of $16,500,000 spread over twelve years and disappearing at the end of the twelfth year.

Mr. Raymond (Beauharnois - Laprairie): That is the only difference?

Mr. Abbott: Yes; that is the only difference.

Mr. Low: A fairly substantial aggregate of United States dollars must each year be spent in Newfoundland. The payrolls at the United States bases themselves would be fairly large, I would think. To whom is the United States dollar exchange now going? Is it going to the Newfoundland commission of government or to the government of Great Britain?

Mr. Abbott: It is now and always has been available to Canada. As my hon. friend is probably aware, the banking systems of Newfoundland and Canada are interlocked. The commercial banks in Newfoundland are Canadian banks. Our foreign exchange control board is operative in Newfoundland. Canada has provided Newfoundland with its requirements of United States dollars out of the common pool.

Mr. Stephenson: Has the government made any rough estimate of the total cost to Canada of taking over all the public service works and property and establishing the necessary governmental offices in Newfoundland?

Mr. Abbott: A little earlier this afternoon I gave to the hon. member for Rosedale the best estimate we can make of the dominion governmental expenditures in Newfoundland. With the reservation which I made, we have set this for the initial period at some

$50 million. The regular departmental expenditures for post offices, customs, administration of family allowances, trade and commerce and other governmental activities are included in those figures. I am unable to give my hon. friend any detailed information now; but as I indicated yesterday, detailed supplementary estimates, setting out what is expected will be required for the provision of dominion government services in Newfoundland, will be tabled probably on or about March 31.

Mr. MacNicol: I want to make an observation arising out of the remarks made by the Minister of Transport. I do not do so by way of criticism, because I feel that the Newfoundland railway must be accepted as it is. Acting through the minister's department, which will be directing the railway company that operates the road for Canada, our duty will be to make an accurate survey, as speedily as possible, of what must be done on the road from St. John's to Port aux Basques to put it into better shape for operating speedier and better trains. For a year or two we would not be able to say much about the railway. I would hope the minister would ask the Canadian National Railways, when they become the authority for operating the road, to follow up that problem in a businesslike way, and make a thorough survey of all that is required to give the railway a chance to exist and to make some returns. It cannot do so today because it is in a run-down condition.

Mr. Chevrier: I can tell my hon. friend that a preliminary survey has been made by two of the outstanding engineers of the Canadian National Railways who went down there and made a report. I have that report. It gives a general idea of the present position. It was from that report that I was able to give some of the information to the hon. member for Mackenzie. I agree, however, that a more complete report might be required after the railway is taken over. The report I have was one that was obtained for the purpose of ascertaining what the position of the railway was, the condition of the equipment, the stations, the line, and so on. My hon. friend knows that it is a smaller-gauge railway than the Canadian National railways. But he can rest assured that a more exhaustive report will be obtained of necessity.

Section agreed to.

Mr. Bentley: May I have your permission, Mr. Chairman, to revert to section 17 for a moment? It would save my making observations on the third reading of the bill if I were permitted to do so now.

Some hon. Members: Agreed.

[Mr. Abbott.]

Mr. Bentley: I mentioned this matter before when we were on the section, and I pointed out that I was not satisfied with certain parts of it. Since then I have studied the replies the Prime Minister gave at that time. The Prime Minister pointed out that it was the wish of the Newfoundland delegates that the educational system of the new province be left in the hands of the denominational churches. As I pointed out at that time, this system is quite different from that in the other provinces. It was emphasized also by the Prime Minister—and I notice in the bulletin put out by the Department of External Affairs that it is their interpretation of it—that it cannot be changed by any future legislature unless the denominations themselves request it. That being so, it seems to me that Canada is being a party to an agreement which might become abhorrent to some future legislative body of that province, which body will be unable to deal with it. I do not want it to be taken that I have any disrespect for the clergy or the churches. I do not want anyone to think that I am protesting against any one church. I do not have any disrespect for them. On the contrary, I have a great deal of respect for a great many of them. I am heartily in support of everything that has been said about freedom of worship for the people, and all that. But I also want to point out that there have been times in the history of the world when narrow and bigoted churchmen have attempted, successfully for long periods of time, interference with educational processes, particularly where their ideas came into conflict with new scientific discoveries or pronouncements.

A report written by an investigator from Britain indicates that 60 per cent of the people engaged in some industries are unable to sign the payroll. This is not a flattering record for the people in charge of education to look back on. The statutory protection which under this agreement the denominations have against anything that might be displeasing to any future legislation is extremely powerful. It is practically impossible to change it unless by recourse to the courts. What I want to point out is this. As nearly as I can find out from the answers to the questions that I and others have asked, the legislature will have practically no control over education. What department or division of some department is to have control over education there? Who is to have the authority to lay down a curriculum for the schools? If some such body has that authority, is it to have the right to enforce the curriculum in all the schools? Will there be

compulsory attendance at the schools, as we have in the other provinces, of children of certain ages to be taught under that curriculum? If these things are not to be done, it is possible that much latent talent in Newfoundland will not be developed to the point where the people concerned may make their full contribution to Canadian life.

Again I come back to the position I took before. It does not seem to me that Canada should be a party to an agreement which will sew things up in statute law for all time. I do not oppose the entry of Newfoundland into the confederation, because I believe it is a necessary thing; but I do believe that our government, the future government of Newfoundland, and the British government, all of whom are concerned or should be concerned, should be consulted with a view to changing this section so that the children of Newfoundland will have the same educational opportunities that are available in the other provinces of Canada.

Mr. St. Laurent: So that there may be no misunderstanding abroad I think I should correct the misapprehension under which the hon. member seems to be labouring. If he will read section 17 he will find that there are none of the dangers that he seemed to be deploring. The control over education is left completely in the hands of the legislature of Newfoundland, the legislature which exists at the present time and the legislatures which may come into being in the future. The only restriction on their power to legislate is that their legislation shall not discriminate against the denominational schools. At the present time the curricula for the schools in Newfoundland are prescribed by their department of education. I do not know whether that is its exact name, but they have a department of the commission of government, and before that they had a department of government responsible to the legislature, which has the administration of the schools. The system in Newfoundland differs from that existing in the older Canadian provinces, inasmuch as there is very little municipal organization. The schools are directly administered by the central government. The restriction provided here is not that that government, or the legislature to which it will be responsible, could not set up other schools. Under this provision it would have the right to set up any other kinds of schools that it saw fit to set up. The only provision is that if that happens the grants made for education will be distributed in such a way as not to discriminate against the denominational schools.

Mr. Bentley: If other schools were set up by the legislature, would the denominational schools have to follow the same curriculum as that laid down for those other schools?

Mr. St. Laurent: I think that would depend upon the laws and regulations made by the department of education. At the present time the department of government which has control of the schools prescribes the curricula for all schools. I see nothing in this section which would prevent that from being done, unless they attempted to prescribe a curriculum that would exclude religious instruction. If they did that, they would probably be doing something prejudicial to the denominational schools as they exist at the present time; because if they are denominational schools I would imagine, though I have not examined the curricula, that there would be some provision for religious instruction.

Mr. Bentley: The Prime Minister says that the legislature should not do anything that would prevent religious education from being given in any school. Suppose in a community in which there was a particular religious denomination a school was in operation, and within that community a child or a few children of some other denomination would have to attend that school because it was the only one in the community; must they be subjected to religious education that might be abhorrent to their fathers and mothers, and eventually to themselves?

Mr. St. Laurent: I do not know what happens at the present time. We were informed that no trouble whatsoever is being experienced at the present time. I do not know whether under the regulations all the children attending the school are compelled to take all the courses or lessons which are given in that school. The information we have is that they have never had any trouble in that regard, and that they merely wished to continue to have the right to have denominational schools and to get their fair share of any moneys that were distributed for the maintenance of schools; but the legislature should have the right to set up other schools if it was felt by the members of the legislature that it was desirable to do so.

The hon. member referred to compulsory attendance. There is nothing in this section which to my mind can be considered as prejudicing the rights of any religious denomination to see that all children must attend school. It may very well be that in Newfoundland such a provision would be difficult to apply. I understand that outside of St. John's and Corner Brook, where there is concentrated a substantial proportion of the population, the population is distributed in more than 1,300 small hamlets. They have schools, as many as the government felt it

could afford. They are schools established under this government system whereby the cost is provided by the central government.

Mr. Bentley: I thank the Prime Minister for his reply. I still think that the situation should be carefully watched and reviewed again. I believe the Prime Minister has been honest, honourable and sincere in his reply. I still do not think the system is as good a system as the Canadian provinces have.

Mr. St. Laurent: That will be a matter for the people of Newfoundland to settle themselves according to their views.

Mr. Bentley: But to this extent we are becoming a party to the agreement.

Mr. St. Laurent: The only thing to which we are becoming a party is the writing into the constitution of a guarantee that the rights of denominational schools not to be discriminated against will be preserved.

The Deputy Chairman: Shall section 24 carry?

Mr. Macdonnell (Muskoka-Ontario): No. I should like to ask a question on paragraph (a) of subsection 2 of section 24. As I understand it, the basis of this paragraph is that one-third of the surplus is set aside and is to be used to supplement income over the eight-year period.

Mr. Abbott: That was put in at the request of the Newfoundland delegation. According to last estimates, the surplus expressed in terms of Canadian dollars, will be $26,243,035.06. That is being retained by the province of Newfoundland. In view of the difficulty of accurately estimating provincial revenues and provincial finances generally, the Newfoundland delegation felt it would be wise to insert in the terms of union a provision that one-third of the surplus should be kept during the period available for possible deficits in current operations. The remaining two-thirds is available for capital expenditure or development, or whatever may be desired. The representatives of Newfoundland themselves suggested that that condition should be inserted in the terms of union.

Mr. Macdonnell (Muskoka-Ontario): Am I right in assuming that a calculation was made, and that figures were available showing at what rate it would likely be used up?

Mr. Abbott: No; the figure would not indicate the rate at which it would be used up. It was contemplated that certainly in the early years there would be deficits, and it was believed that this sum at any rate should be held available for that purpose.

[Mr. St. Laurent.]

Mr. Macdonnell (Muskoka-Ontario): I do not wish to be persistent. Perhaps I might change my question somewhat. Were there or were there not figures, produced perhaps by the Newfoundland people themselves, which would have suggested that that amount would be in fact used up before the termination of the eight-year period?

Mr. Abbott: The figures submitted by the Newfoundland delegation during the course of the discussions did indicate that probably there would be deficits in the early years. I would not be prepared to say however that this one-third would be exhausted at a particular time; and I do not think the estimates submitted by the Newfoundland delegation would necessarily indicate that.

Mr. Macdonnell (Muskoka-Ontario): Again, if in fact—and this was my understanding—figures were produced showing that this would be used up in anticipated deficits before the end of the eight-year period, what would happen then?

Mr. Abbott: After all, two-thirds of the surplus is available for any purpose, including the taking care of deficits. It does not have to be used for capital expansion, or any other purpose. But it was felt by the Newfoundlanders themselves that, perhaps as a safeguard against a too rapid expenditure of this $26 million surplus, at least one-third of it should be set aside for the purposes I have indicated.

Mr. Hazen: I suppose the public services referred to are those which would come within the jurisdiction of the provinces, under section 92 of the British North America Act. It would not include wharves or lighthouses?

Mr. Abbott: No; my hon. friend is correct in his assumption. What is contemplated here is a possible deficit in the early stages in provincial budgets, from the provision of services falling within the constitutional responsibility of the new province. It would not relate to services which have to be taken care of out of federal votes.

Mr. Jackman: I do not quite understand this provision. I presume, in the first instance, it is placed in the agreement at the request of the delegation from Newfoundland. No doubt there are different points of view in Newfoundland, and also different points of view in the delegation itself. Newfoundland finds itself in possession of $26 million; and there is a fear on the part of some that whatever group formed the first government in the province might be tempted to spend the money all at one time.

What do these various provisions mean by way of restriction upon that possibility, if I am correct in my assumption? Does it mean

that one-third of the money will be available to the first provincial government in Newfoundland, at the rate of one-eighth per year, or can they draw it all in one year for expenditures on current account, to facilitate the maintenance and improvement of Newfoundland public services? Then, paragraph (b) states that they may draw two-thirds for either capital or current expenditures. I do not understand exactly what paragraph (a) means. Is there a restriction that they can draw only one-eighth of one-third of this surplus each year, or what is the meaning? How does the restriction work out?

Mr. Abbott: There is no limitation such as the hon. member has suggested. The only limitation, and the only effect of subsection (2) (a), is that the one-third of the surplus to which I have referred can be used only during the eight-year period for the purpose of meeting possible current deficits. It could all be used in the first year, if that were desired by the provincial government. There is no requirement that it be spread over that period.

As my hon. friend will realize, this was not a section in which Canada was primarily interested. We had no objection to it, of course; but we had no special interest in it.

Mr. Jackman: The only restriction is that one-third of the money must not be used on capital account during the first eight years.

Mr. Abbott: I think that is a correct statement of the fact.

Section agreed to.

Sections 25 and 26 agreed to.

On section 27—*Tax agreement.*

Mr. Drew: Mr. Chairman, I again earnestly seek to impress upon the Prime Minister the desirability of giving consideration to the effect of the last part of section 27 (2). As he pointed out, the limitation on the review of a tax agreement would relate to the exercise by Newfoundland of the option to have its tax payments cover a period of eight years.

To simplify the explanation given by the Prime Minister, it would seem to me that what he suggested was that, if Newfoundland was to have the advantage of this longer period of subsidy payments, it should not be open to them to have a reconsideration. I believe that argument might conceivably have some validity, if the payments over the eight-year period were on a higher level than in the shorter period. But the fact is that the subsidy payments are at the same level for either period.

That being so, it does not seem to me that Newfoundland gains anything more or gets anything less by extending the period. It seems to me Newfoundland should be in precisely the same position as any other province, at the time these tax agreements would ordinarily terminate, to have their position reviewed along with the others. I would think that, although at the present time they might take the eight-year option, the inclusion of such a limitation might well cause difficulties at the end of three years.

I would remind hon. members that in spite of the repeated suggestions outside, and the suggestion made not so often in the house since I have been here, that it was only the province of Ontario, with a certain amount of support from the province of Quebec, that objected to the tax proposals, the fact is that the premier of Nova Scotia, at the time the Nova Scotia legislature was finally called upon to accept these terms, made it perfectly clear that the government of that province would not renew the present tax agreement. He made it perfectly clear that there must be a review of taxation, or there would be no continuance; and that he was doing it only as a temporary measure. I believe the premier of Alberta has been equally clear in the matter, stating that the present arrangement is not satisfactory from their point of view. To use the exact words of the premier of Nova Scotia: The government has not seen the last of my bonnets and me.

That being so, I think it is only inviting unnecessary dispute and discussion at the end of the three-year period the agreements will have to run for those provinces which have signed them if, in the terms given to a tenth province, there is a limitation which would apply to their acceptance of a longer period. I would point out to hon. members that it is unlikely such an option would have been included, unless there had been a suggestion that it was desired. Obviously there must have been something to suggest this different arrangement with Newfoundland, and there would seem to be some likelihood that this option will be exercised. If it is exercised and if we are to take the word of Premier Macdonald and Premier Manning of Alberta, to say nothing of the fact that at the time there was such a discussion the other provinces would be considered, then I think it is most important that the province of Newfoundland should be free at that time to discuss without restraint or restriction the revision of their relationship with the dominion government in regard to the adjustment of taxes.

Mr. St. Laurent: The leader of the opposition suggests that Newfoundland should be in the same position as the other provinces. They can be in that position if they so wish. It was represented to us that three years was not a very long period and that the transi-

tional requirements would not have been covered. It was thought that for greater security they might want to be sure that for at least eight years they could have the terms of the tax agreement. We told them that, if they wished to have that, they would have the option of taking it; but if they took the security, if they made a bargain for eight years, it would be a firm bargain. We did not think that we should give them the right to have it extended for a period of eight years and also give them the benefit of having it revised if we were making any other kind of agreement with any of the other provinces.

We said: If you want a firm deal for a period of eight years we will not ask you to take an option, but after you have a government with a legislature to which it is responsible and that government and that legislature wish to have a deal made in a firm fashion for eight years, we will not object. If, however, you make a deal for eight years, you should realize that you will not be entitled to a review. They said: Does that mean that there will not be any possibility of making a revision? We told them: There will not be any right to require a revision to be made, but if it is felt at that time that one is in order it can be made, provided the government of the day takes the responsibility of recommending the modification to parliament.

The leader of the opposition knows that, under the present tax agreement with the seven provinces, if something is granted to one as a right it is acquired by the other six. That is the thing against which we provided by this option. We said: If you want to make a firm agreement it will be the kind of agreement that will not automatically give you what any other province may get under a new bargain. It may very well be that if my hon. friends are over here or if we are still here, another arrangement might be made with the provinces which would also extend to Newfoundland, and the government of the day would take the responsibility of recommending to parliament the consequential appropriation. It seems to us that if the new government of Newfoundland, responsible to its legislature, wanted to make a firm contract for a period, it should be a firm contract.

The Deputy Chairman: Shall the section carry?

Mr. St. Laurent: May I supplement the information that I gave about schools. I have been informed that, under the legislation as it exists in Newfoundland, compulsory attendance is required by children of school age, but if a child is not of the same denomination as the school he does not have to remain in the school while religious instruction is being given.

Mr. Knowles: What are you carrying, the whole section or just the subsection?

The Deputy Chairman: Section 27, tax agreement.

Mr. Abbott: We have completed the purely financial sections and I had hoped that it might be possible to conclude those and pass on to some others in order that I might attend a meeting of treasury board which I arranged for this afternoon. I think there is another section under which the railroad could be discussed. If that meets the convenience of the committee, it would be an accommodation to myself.

Mr. Knowles: That is quite satisfactory to me provided you do a good job at treasury board, particularly on behalf of the superannuated civil servants. I would be glad to ask what I want to ask under section 31 or section 37.

Mrs. Strum: If the existing schools cannot accommodate the pupils and new schools are required on the island, what provision will there be for needed educational facilities?

Mr. St. Laurent: Nothing in this provision would hamper in any way the legislature of Newfoundland in establishing as many new schools as the condition of the province would require.

Mr. Castleden: Subsection 1 of section 27 reads:

> The government of Canada will forthwith after the date of union take an offer to the government of the province of Newfoundland to enter into a tax agreement for the rental to the government of Canada of the income, corporation income, and corporation tax fields, and the succession duties tax field.

Subsection 4 reads:

> The government of the province of Newfoundland shall not by any agreement entered into pursuant to this term be required to impose on any person or corporation taxation repugnant to the provisions of any contract entered into with such person or corporation before the date of the agreement and subsisting at the date of the agreement.

Does that mean that, if the federal government wished to enter into an agreement with the province with regard to income or corporation taxes, they would be prevented from doing so if no corporation or income tax were imposed at the present time?

Mr. Abbott: I answered that question yesterday in indicating that when Newfoundland becomes a province of Canada its residents will be subject to Canadian law, including the taxation law.

Mr. Castleden: That seems contrary to the provisions of subsection 4.

Mr. Abbott: The Prime Minister explained a little earlier this afternoon, when perhaps the hon. member was not present, that that was inserted in order to provide that the new provincial government of Newfoundland would not be obliged to breach any contracts which might have been entered into by the colonial or dominion government with respect to the matters referred to in that section. My hon. friend will recall that, under the agreements with the seven provinces in connection with income and corporation taxes, those provinces are required to impose a five per cent corporation tax on corporations within the provinces. In view of this section, that provision would not be applicable to Newfoundland.

Mr. Coldwell: That would not preclude Newfoundland from doing anything of its own volition?

Mr. Abbott: No.

Mr. Coldwell: This simply provides that the dominion government will not require Newfoundland to do something. There are certain contracts that were made in Newfoundland some years ago under which great concessions were given to certain corporations that pay hardly any taxes at all. This would not prevent Newfoundland dealing with that situation?

Mr. Abbott: No, not at all. I think I said yesterday that the effect of this agreement would be to preserve the legal rights between contracting parties. The dominion government is not requiring the government of Newfoundland to do anything which would be a breach of a statute or of an agreement entered into with that government.

Mr. Coldwell: But Newfoundland itself?

Mr. Abbott: Newfoundland is perfectly free to do as it pleases.

Mr. Coldwell: If the courts hold it cannot do it, that is a different matter. As far as we are concerned, we are not forcing them to do anything, but they can of their own volition try to do what seems best to them?

Mr. Abbott: Right.

Mr. Castleden: Canada reserves the right to carry on corporation taxes after the agreement?

Mr. Abbott: Right.

Mr. Drew: Is it not correct that under the agreements that have now been signed with seven of the provinces they are required to impose certain taxation as a part of the terms?

Mr. Abbott: Correct, yes.

Mr. Drew: As I understand it, a provision to that effect was incorporated to avoid any possibility of a constitutional dispute as to whether the tax was being imposed within the provincial or the federal field. The provinces actually collect it, but it does not affect the total that is received by the dominion government before the subsidy payments are returned to the provinces. As I read this section it would mean that, although the dominion government undertakes to pay subsidies in accordance with the same terms that have been signed by certain provinces, the provincial government in this case might not be in a position to carry out the same undertaking other provinces are called upon to give in regard to the imposition of certain taxes.

Mr. Abbott: That is possible. Of course, as my hon. friend appreciates, that provision was inserted in the agreements with the seven provinces in order to assure that as far as possible corporation taxpayers in non-agreeing provinces would not be prejudiced. That was the sole purpose of including that provision in the agreements with the seven provinces. The agreements contain a provision that the dominion may at any time require those provinces to repeal the five per cent corporation tax. My hon. friend is quite right in saying that the net effect is that the provinces do not retain any more money. In fact, the dominion government gets the 35 per cent rate as a result of the combined effect of the federal tax and the provincial tax.

Mr. Drew: Does the minister know what the actual effect of this is?

Mr. Abbott: The actual effect of this provision?

Mr. Drew: Of subsection 4.

Mr. Abbott: The actual effect of subsection 4 would be—

Mr. Drew: I am talking about the practical effect.

Mr. Abbott: The practical effect is that the dominion government imposes at present rates a 30 per cent tax on corporations, but in the case of Newfoundland, if the province so requested, we would not impose upon them an obligation to collect a corporation tax, let us say of five per cent, as in the case of the seven other provinces, which would involve a breach of covenants that predecessor governments may have entered into with corporations or others in that field. As the hon. member for Rosetown-Biggar has pointed out, no restriction is placed upon what the new Newfoundland government does in this connection. But, to put it rather colloquially, we would not impose, as a condition of getting

a tax agreement with the dominion, that they must breach a contract which they may have entered into prior to union.

Mr. Drew: When I spoke of the practical effect, I meant, does the minister know whether there are cases where this will have a definite result? After all, the type of companies that would be affected must be fairly well known.

Mr. Abbott: Yes. Although we have not examined them in great detail we know that there are outstanding agreements, some of them confirmed by statute, whereby income tax exemptions are granted to certain corporations in consideration of a fixed annual payment. We know that there are agreements, some of them confirmed by statute, which give customs duty exemptions. The effects of this clause is that if the government of the new province of Newfoundland came to the dominion government and said, "We wish to have a tax agreement along the lines indicated in this section, but because of arrangements which we have entered into with certain corporations we do not wish to be obliged to impose the five per cent corporation tax on them", they would not be obliged to do so. To that extent the dominion government might lose the five per cent in respect of the corporations with which Newfoundland has entered into contracts.

Mr. Coldwell: Suppose at some time we required the seven provinces, or any one of them, to discontinue the five per cent tax, and we increased our own tax from 30 to 35 per cent; then the tax would apply to Newfoundland as well as to the other provinces?

Mr. Abbott: Quite so.

Mr. Coldwell: It would be uniform throughout?

Mr. Abbott: That is right.

Mr. Coldwell: In no way would it vary that?

Mr. Abbott: No way whatever. I want to make it perfectly clear that the dominion government under the arrangement retains complete freedom with respect to its fiscal policies as they will apply to any resident of Newfoundland who becomes a Canadian citizen.

Mr. Probe: Without exception?

Mr. Abbott: I make that statement without any qualification whatever.

Mr. Knowles: Is it likely that the agreement with Newfoundland, in the same way as the agreements that have been made with the other provinces, may include a requirement to impose a five per cent corporation tax on corporations in the province that do not have such a contract?

Mr. Abbott: I prefer not to answer a hypothetical question of that kind at this time. As my hon. friend appreciates, it involves a question of fiscal policy. I hope I have made the legal position clear. I think it is a fair and proper stand for the dominion government to take. When I say that we retain complete freedom to determine our federal taxation policy with respect to residents of Newfoundland, as with every other province, I think that should be assurance to the committee that parliament will be perfectly free to decide these questions in whatever way it thinks proper.

Mr. Knowles: Does the minister know whether the Quebec, North Shore and Labrador Railway Company has that kind of contract with Newfoundland?

Mr. Abbott: Certainly the Quebec, North Shore and Labrador Railway Company has no such contract with respect to income tax. It may have some special arrangement with respect to customs duties. Incidentally, that will become much less valuable after union because substantial importations, which were subject to customs duties, were made from Canada, and after union they will be free of duty.

Mr. Knowles: That would be true of the customs provisions, but respecting corporation taxes, in the case of a company operating into the Ungava iron-ore field, the amount involved might be quite substantial.

Mr. Abbott: There is, I repeat, absolutely no limitation on the government under the terms of agreement with respect to the rate of corporation tax which it charges anywhere in the Dominion of Canada, including Newfoundland, if it becomes a province.

Mr. Knowles: It is very hard to discuss this matter without getting into the questions I have in mind about the Quebec, North Shore and Labrador Railway Company, but I will try at this time to stick to the taxation aspect of it. This parliament, over our vote, passed chapter 80 of the statutes of 1947 incorporating the Quebec, North Shore and Labrador Railway, and enabling it to go up into the north country to the border of Labrador. If, on the basis of the rights and privileges this parliament gave to it, that railway company has in turn secured a special contract with Newfoundland which becomes of particular value when Newfoundland becomes a province of Canada, under subsection 4 it does seem to me it is a matter of importance.

Mr. Abbott: The dominion government is not bound by the terms of any contracts entered into between the government of Newfoundland and the railway company to which my hon. friend has referred, although it may have secured its charter from this house.

Mr. St. Laurent: I think I might add that the Newfoundland delegation gave us a list of all companies that had any such privileges. The railway company referred to by the hon. member is not in that list. There are in the list the Labrador Mining Company and the Labrador Railway Company, but only with respect to exemption from duties on articles imported for the construction of their physical plants.

Mr. Knowles: Can we be supplied with those lists? Can they be placed on *Hansard* tomorrow?

Mr. St. Laurent: The list of the companies that were mentioned to us as having obtained certain concessions in the past?

Mr. Knowles: Right.

Mr. St. Laurent: I will have a list made.

Mr. Coldwell: And what those concessions were, because the point I have in my mind is that Newfoundland is a country which will require some assistance from Canada. That is obvious from this agreement. It is also obvious from the agreement that its recovery may be somewhat prolonged. If a very large number of corporations are relieved of a portion of the corporation income tax, which is not to be levied by Newfoundland, of course that is a matter of concern to this parliament, and I think we should know what we are doing in this regard. If my information is correct, some corporations have made agreements with previous Newfoundland governments under which they pay practically no taxes whatever. That brings up two points: first, the aid they will have to get from this parliament, and second the position it places them vis-à-vis our own similar corporations, if there are any in Canada. That is the point.

Mr. Abbott: I repeat that we are perfectly free to collect from the corporations to which my hon. friend refers exactly the same amount of taxes we collect from any other corporations; and if Newfoundland makes a tax agreement it will receive exactly the same amount. As my hon. friend himself indicated, if we saw fit we could ask the seven provinces to repeal this five per cent tax, and I may say there would be some advantages in doing that. It was put on solely and for no other reason than to prevent taxpayers in other provinces being prejudiced as a result of the arrangements made with seven provinces in which there would be no provincial corporation tax; and in the two presently non-concurring provinces we allow a deduction from corporation taxes of up to five per cent. It is beyond the bounds of possibility that in a rearrangement of the position it might be desirable to have uniformity, but that is a matter which would have to be considered in due course. This provision cannot prejudice in any way either the province of Newfoundland or the Dominion of Canada unless this parliament should see fit to do so.

Section agreed to.

Sections 28 to 30 inclusive agreed to.

On section 31—*Public services, works and property.*

Mr. Knowles: It was suggested that I might ask my questions in reference to the Quebec, North Shore and Labrador Railway Company under section 31, since it mentions the Newfoundland railway and other undertakings similar thereto. I should like to ask what is the effect, both legal and practical, of the adoption of these terms of union on the provisions of chapter 80 of the statutes of 1947. That was the act which incorporated the Quebec, North Shore and Labrador Railway Company. That act gave the company pretty wide powers, rights and privileges. It can build a railway right up to the border of Labrador and, if it secured permission from Newfoundland, could go on into Labrador. In addition to the right to build a railway it was given certain other associated rights, such as the right to develop electric and other kinds of power; the right to set up a telegraph and telephone system, to operate steamships, wharves, docks, hotels, parks, motorcars, pipe lines for the transportation of oil, gas and so on. All told, the powers given that company in 1947 are quite extensive. In addition, when one realizes that the purpose of this railway is to tap an area extremely rich in a great natural resource, namely iron, it becomes readily apparent that the interests connected with this railway are given quite an entree into the development and exploitation of that wealth.

In the act we passed in 1947 there was this concluding section:

> 20. The works and undertakings of the company are hereby declared to be for the general advantage of Canada.

That would seem to make the whole operation of that company, at least as far as Canada stood then, a federal matter. It seems to me that, when Newfoundland becomes a part of Canada, that section overrides any necessity on the part of the company to secure permission from Newfoundland to extend its

operations into Labrador; and it would seem that the rights and privileges given this company in 1947 in the Canada of that day will now apply to Newfoundland as well. I should like an opinion from the government as to the effect the terms of union will have upon the provisions of chapter 80 of the statutes of 1947.

Mr. St. Laurent: Well, Mr. Chairman, I do not know that I should or could give an opinion as to what effect the terms of union might have on the exercise by this company of the powers it obtained by its charter. It would seem to me that they would have no effect. This company was incorporated as a railway company, and by virtue of that incorporation acquired the rights and privileges expressed in the charter, and also the right to exercise the powers granted to a railway company by the Railway Act within the territory that was then Canada. It may be that the company, if it wished to be governed by the provisions of the Railway Act for the whole of its operation, that is to say the portion in the former territory of Canada and the portion which might extend into Newfoundland, would have to get an amendment to its charter. There the law speaks all the time; but the powers under the Railway Act which were exercisable were powers only over lands in Canada; and whether the addition to the territory of Canada would extend the operation of the Railway Act to the new territory is a question about which there might be some serious argument.

I do not think it would make any change. There was no intent in parliament at that time to give them rights outside Canadian territory. They were merely given the capacity to acquire rights outside Canadian territory, and I should imagine they would have to acquire those rights as provided in the express terms of the charter.

Mr. Knowles: Since this does seem to be a matter of opinion I shall not prolong the discussion, except to say that as I read the act we passed in 1947 we gave that company rights in Canada. After the adoption of these terms of union Newfoundland is part of Canada. If I were counsel for the company I would claim that those rights thereby extended to Newfoundland, which would mean that the objectionable features of the bill we passed in 1947 would become that much more objectionable now.

Mr. St. Laurent: Or that much more desirable now, according to the point of view of the person considering it. The majority in this house considered that it was not objectionable but desirable; and if this measure extends it, then to those members who considered it desirable it would be that much more desirable, though to the hon. member who considered it objectionable it would have the opposite effect.

Mr. Knowles: Then I think the Prime Minister has answered my question, and this bill does extend the rights and privileges of this company into Newfoundland.

Mr. Claxton: No; I think the point is this. Under the terms of the charter of the company, as provided in chapter 80 of the statutes of 1947, the company was given the capacity of a railway company. Then it was given the right to operate a railway line in that part of the territory which then formed part of Canada. But this was subject to its obtaining the authority to operate the railway over that part of the territory which was in Newfoundland. That authority was obtained from the Newfoundland government, I am informed, so that the company now is fully clothed with the authority to carry on its operations. The province of Newfoundland will succeed the dominion of Newfoundland; so that, unless there is some development that one could not foresee, it looks as if the situation is as it was, as regards the operations of the company. It has no additional rights, but it has the rights it was given by a combination of Newfoundland and Canada.

Mr. Knowles: It worked out nicely for the company.

Mr. Timmins: When the matter was before the railway committee, as I remember, the group who were asking for the incorporation of the company stated that the company already had an agreement with Newfoundland with respect to the development of that part of the iron deposits which was in Labrador. Would it be appropriate at this time for the Prime Minister to tell us something about that agreement, whether it is binding upon Canada and what its effect will be in respect of the union we are putting through?

Mr. St. Laurent: I would imagine that this union would have no effect upon it whatsoever; because under the terms of this agreement the province of Labrador retains all its natural resources. The agreement, whether it was made by the commission of government or by the responsible government of Newfoundland before the commission of government, would continue to be binding upon the government of the province of Newfoundland. But the natural resources remain vested in the government of the province.

Mr. MacNicol: As I remember it, what we did in passing that bill in 1947 was to give the railway power to run a railway to the border of Labrador and Quebec, and we were

informed that they had authority to run the railway on north from the border of Labrador and Quebec to develop the mines in the western part of Labrador. I do not understand the questions asked by the hon. member for Winnipeg North Centre. I do not believe that power applied to the whole of Newfoundland or to anything else than what the bill called for. As the province of Quebec has given the company the authority they require to operate in that part of Canada which is in the province of Quebec, that is their business. If Newfoundland gave them authority in connection with a few miles into Labrador not over fifty or sixty, I do not see where we are in much jeopardy in respect of this particular clause.

Mr. Nicholson: Section 31 states:

> At the date of union, or as soon thereafter as practicable, Canada will take over the following services and will as from the date of union relieve the province of Newfoundland of the public costs incurred in respect of each service taken over, namely . . .
> (f) defence.

As I mentioned previously, the newspapers indicate that while the Prime Minister is in Washington he is to have some discussions there with regard to the bases upon which the Americans have ninety-nine year leases. Would either the Prime Minister or the Minister of National Defence care to make some statement with regard to discussions which have taken place between Canada and Great Britain, or between Canada and the delegation, on the question of taking over these bases? The Americans have made large expenditures. If the newspaper reports are correct, that there is a disposition to take over those bases from the Americans, it will be necessary for either Canada or some other country to spend large sums of money in Newfoundland to maintain the present standard of living there as a result of these American expenditures. I think it would be helpful if the committee had some information with regard to the discussions which have taken place on this question.

Mr. St. Laurent: There have been no discussions whatsoever with the delegation about this matter, because it was felt that it was one over which neither the Newfoundland delegation nor the Canadian delegation could make any decision. Real rights had been created by the granting of ninety-nine year leases on certain sections of land. If and when Newfoundland becomes a part of Canada, those leases will still be valid leases affecting the lands described in them. They contain provisions which go beyond the provisions to which the Canadian government has agreed with respect to anything done by the United States government in the territory of Canada, and we hope that it will be possible to get the government of the United States to agree that it will not exercise those rights in a manner that would offend against our rights of sovereignty in Newfoundland. But that is something that will have to be brought about by negotiation and agreement with the government of the United States. The situation is the same as if the hon. member, having a farm, leased a building lot on it for ninety-nine years and then sold his farm. The acquirer would have to take the farm and respect the agreement the hon. member had made with regard to the building lot. But he could go to the man who had the lease on the building lot and try to make a new deal with him. That is what we intend to try to do with the government of the United States. But if they are not disposed to make any change in the arrangement, we shall be obliged to respect the rights that exist there, just as we shall be obliged to respect as a fact the existing situation in the territory of Newfoundland.

We have had preliminary negotiations with the state department, but we have not been in a position to do anything final in that regard because Newfoundland is still territory over which we have no control. Nothing definite can be determined unless and until we acquire control over the territory of Newfoundland.

Mr. Coldwell: Paragraph (g) of section 31 refers to protection and encouragement of fisheries and operation of bait services. How do these bait services differ from what we have in the maritime provinces? As far as I can remember, there are no federal bait services for the maritime fishermen. I may be wrong in that respect, but I do not think I am. What are those bait services that are referred to? Are they convenient services which the fishermen find valuable both economically and socially? Is this service the Newfoundland fisherman enjoys the kind of service that might be extended to the fishermen of the maritime coasts where, I believe, the provision of bait is, at some seasons of the year, extremely difficult? I have an idea that in Newfoundland there is being done something different from what is being done by the federal Department of Fisheries in the maritimes or in British Columbia. I should like to know just what this paragraph means.

Mr. St. Laurent: If the hon. member will read the statement that was made by the Minister of Fisheries yesterday, I think he will find the answer to that question.

Mr. Coldwell: I did not find the answer. That is why I asked the question.

Newfoundland

Mr. St. Laurent: As I understand it, there is in Newfoundland a system for the conservation of bait under cold storage conditions, which is more effective than anything we have in the maritime provinces. The question arose, and I think it is covered in the statement of the questions answered.

Mr. Coldwell: I heard the minister yesterday but I did not quite get the explanation I am now seeking.

Mr. St. Laurent: In the statement of questions raised by the Newfoundland delegation, one of the questions was whether or not in taking over the bait service it would be used exclusively for the Newfoundland fishermen, or would be made available to the fishermen of the maritimes. The answer to that question is given on page 9 of the questions raised by the Newfoundland delegation and reads as follows:

> The Canadian government will seek legislation or take such other steps as may be necessary to provide that the Newfoundland bait service will be taken over and operated without fundamental change by the Department of Fisheries. If, after the date of the union, changes are made for the benefit of Canada as a whole, the question of payment will be discussed between federal and provincial authorities.

This was going to be a federal service. If it was a federal service which had been provided out of moneys of Newfoundland, and if it was going to become a federal service for the benefit of the whole of Canada they should get some compensation for what they had invested in it. It was not possible to reach any final conclusion in that regard, but they were told that it would be the policy of this government to ask parliament to provide by legislation or otherwise, if under existing legislation it could be done, to continue to operate the bait service without any fundamental change, and that if in operating it we found that it could be of use to other Canadians then the question of a fair compensation to Newfoundland would be discussed.

Mr. Coldwell: Yes, that is the interpretation I wanted to get. It is not intended that this would be charged back to the province or provinces if it is extended to the various provinces. It is the other way around.

Mr. St. Laurent: It is the other way around. If we use for the benefit of the other provinces something that they operate, then the question will arise as to whether we should not make some compensation to them because of the benefit that the other provinces will get.

Mr. Coldwell: That is the point I wanted to clear up.

Mr. Claxton: May I supplement that from the remarks which the Minister of Fisheries made yesterday and which appear on page 399 of *Hansard*. The minister said:

> There is in Newfoundland a bait-freezing service which I think is a better one than we have in Canada. We shall have to do something to improve ours so that it will be equal to Newfoundland's.

That is the point the hon. member had in mind.

Mr. Coldwell: That is the point.

Mr. MacNicol: May I suggest, Mr. Chairman, that you call each paragraph of section 31. I wanted to ask a few questions under some of these paragraphs.

Section 31 (a) agreed to.

On section 31 (b) and (c).

Mr. MacNicol: How does paragraph (b) of section 31 connect with paragraph (c) of section 33? If we pass paragraph (b) of section 31 as it is, will we then not have to do something with paragraph (c) of section 33?

Mr. St. Laurent: Section 33, paragraph (c) reads:

> The following public works and property of Newfoundland shall become the property of Canada when the service concerned is taken over by Canada, . . .

If the Newfoundland hotel is not taken over by Canada it will never become the property of Canada.

Mr. Knight: In section 31, paragraph (b), the Newfoundland hotel is the only item in which the arrangement is not definite. Will the minister explain the limitation of time?

Mr. St. Laurent: We do not propose to make any payment whatsoever for it. The government of Newfoundland will say whether they want to charge us with the burden of operating it or whether they think it is worth something and prefer to get it.

Mr. Knowles: Where is it?

Mr. St. Laurent: In St. John's. The information we had from the Canadian National Railways was that they would prefer not to have it, so that we were not willing to make any payment for it. But if the people of Newfoundland felt that they wanted us to have the responsibility of operating it as a railway hotel we would not refuse to accept it.

Mr. MacNicol: Paragraph (c) of section 31 refers to postal and publicly-owned telecommunication services. Are these services —the telephone, telegraphs and postal services—in the one building everywhere throughout the island?

Mr. St. Laurent: Not everywhere, but in a general way they are operated as one service. They are not entirely separate. Publicly-owned telecommunication services was the expression used to cover publicly-owned telegraphs and publicly-owned telephones; and at some points there are even, I understand, radio communications which are also publicly-owned.

Mr. Coldwell: Is this similar to the British system under which the post office operates the telegraphs?

Mr. St. Laurent: Yes.

Mr. MacNicol: In places such as Corner Brook, which is a substantial community, or Grand Falls, or Curling and other substantial communities, would the telephone and telegraph offices be in the same building? It is good sense to me if they are, because it cuts down extra rent. In the towns where there are railways, are the railway offices in the same building?

Mr. St. Laurent: I am not in a position to supply accurate information on that. I have not had the good fortune the hon. member has had of visiting these places on the island, but I understand that all these communication systems were operated by the government, and wherever it was possible to have one public servant take care of the various aspects of the communications system that was the practice. There may be other places where one official would be charged with a special portion of the responsibility and another with the other portion, but they were operated as one public utility.

Mr. Coldwell: The point I had in mind is this. This is under the British system. In Britain the telegraphs and telephones are all operated by the post office. When we take over the post office and we take over the postal telegraphs and telephones, which differs from what is done in other parts of Canada, is it the intention of the government to recommend that we continue to operate them as one service? It seems to me that that is the proper way to operate these communications. I have never been able to see why it is that in our country we have the telephones operated in one province by a provincial company and in other provinces by the Bell Telephone Company, and the telegraphs operated by railway companies and so on. It would be much more economical to have the whole thing under one heading. It has worked out very well where it has been done, as it has been done in most countries. What is the intention of the government in this regard?

Mr. Chevrier: Perhaps I can help the hon. member, if I may. As the hon. gentleman says, the position in Newfoundland with reference to telecommunications is entirely different from that in Canada. The radio service is divided into two parts, the first part having to do with telephone and wireless and the other part having to do with ship-to-shore installations. That latter part will be taken over by the Department of Transport and operated as such. The former part, the part to which my hon. friend addresses his question, will be taken over by the government. So far it has not been determined whether the Canadian National Telegraphs will operate it but I presume it will. If it does, the Canadian National will move in and operate telephones, telegraphs and radio having to do with telecommunications.

Mr. Coldwell: It will take over both telephones and telegraphs? Is that the idea?

Mr. Chevrier: Yes, it is the intention that the Canadian National Telegraphs will operate the whole telecommunications services as they now exist on the island.

Mr. Pearkes: It is not the intention of the government to operate government telephones in the same way as they are operating government telephones in several parts of British Columbia at the present time?

Mr. Chevrier: There is a distinction in certain parts of eastern Canada and western Canada with respect to telephones. I do not know what my hon. friend has in mind. In certain parts of Canada the government has entered into contracts with associations or companies to operate telephone services. That is not the intention thus far in Newfoundland. But it will not be possible to reach a conclusion until the officers of the Canadian National have made a complete investigation. On the basis of the information we have before us, the intention is as I related a moment ago.

Mr. Pearkes: Does not the government operate certain telephone lines on the west coast of Vancouver island, for instance? Is it not the intention to operate in the same way in Newfoundland?

Mr. Chevrier: No.

Mr. Coldwell: Is that not placing a further burden upon the Canadian National Railways? As the hon. member has said, on the west coast of Vancouver island there is a government telephone line, because the distances are so great and the usage so infrequent that the cost of operation is high. It is a public service rendered by the parliament of Canada to a sparsely scattered

population. That would be the condition in Newfoundland.

It seems to me that if the telephone and telegraph lines are placed under the Canadian National Railways in certain areas of the country, we would be inflicting a further burden upon the railways. Surely when we took over the railways we inflicted burden enough upon them, to a point where they have found it difficult to make a decent showing.

Mr. Chevrier: From surveys which the Canadian National Railways have made through their subsidiary, the Canadian National Telegraphs, it would appear that it would be much less costly to the government if those three services were operated through one agency, rather than to divide the service as between the government on the one hand and the Canadian National Telegraphs on the other.

Mr. Coldwell: You would have to pay some subsidy to the Canadian National Railways. When we have before us the story of deficits of the Canadian National Railways we always hear arguments; and I do not think we should knowingly and willingly do something to increase that deficit, or to raise arguments of the description we heard before the war.

Mr. Knowles: The Canadian Pacific is not asking for this privilege.

Mr. MacNicol: I have one question to ask with respect to paragraph (d), "civil aviation, including Gander airport". Gander is a most excellent airport. Daily—indeed several times each day—people meet at that point from all parts of the world. It is rapidly becoming one of the great airports of the world. I should like to ask about the position with respect to Goose Bay in Labrador.

Mr. St. Laurent: Goose Bay in Labrador is already a Canadian airport.

Mr. Fraser: Torbay is also a Canadian airport.

Mr. St. Laurent: Yes.

Mr. Fraser: What about the United States base at Argentia?

Mr. St. Laurent: Argentia is one of the three bases covered by the leases entered into between the governments of the United Kingdom and the United States, and which we must respect as made unless and until we can get some variation in those leases through negotiation with the government of the United States.

Mr. Fraser: I was wondering if in the event of fog our aircraft would be allowed to use the airport at Argentia, or take off from that point?

[Mr. Coldwell.]

Mr. St. Laurent: Only in cases of emergency. They are not allowed to make regular use of that field; but under the agreement there would be permission for emergency landing or take-off purposes.

Mr. Fraser: Would they be able to refuel, too? When I was over there we had difficulty getting enough fuel for our aircraft.

Mr. St. Laurent: It would be only on occasions when emergency landings would be necessary that the use would be permissible.

Mr. Jackman: Arising out of the question asked by the hon. member for Rosetown-Biggar, may I ask if the railway in Newfoundland will be acquired by the Canadian National, or will it be merely operated by the Canadian National as an agent for the Canadian government? In that event it would be in the same position as the Hudson Bay Railway and would not be included in the accounts of the Canadian National.

Mr. Chevrier: The railway will become the property of the government of Canada, and will be operated by the Canadian National as agent for the government, in the same way as applies to the Intercolonial.

Mr. Jackman: In other words any deficit or profits arising from the operation of the Newfoundland railway will not enter directly or indirectly into the accounts of the Canadian National.

Mr. Chevrier: That is a matter of accounting.

Mr. Jackman: No, it is a matter of operation.

Mr. Chevrier: I do not know what proposal the Canadian National will bring forward. However, the Intercolonial is now an integral part of the Canadian National, whereas the Hudson Bay Railway is not. A separate item is put in the estimates to cover the Hudson Bay Railway.

Mr. Jackman: The government has not yet made up its mind.

Mr. Chevrier: I would presume from what I have said already the position would be that the Newfoundland railway would be integrated with the Canadian National system.

Mr. Smith (Calgary West): I have only one suggestion to make, and that is that the government should do nothing which could possibly give us a telephone system such as they have in England.

Section 31 (b) and (c) agreed to.

On section 31 (d).

Mr. Timmins: Having regard to the international feature of Gander airport, may I ask if it is on a self-sustaining basis, or whether we are letting ourselves in for any amount of expense in that connection?

Mr. Chevrier: Without going into detail, the best information I have is that Gander is a tremendous project, and that it is not self-supporting. If offers great advantages, from an international standpoint. When we take it over perhaps we may have to operate it at a loss; but what the figures will be, I am not in a position to say at the present time.

Section 31 (d) agreed to.

On section 31 (e).

Mr. MacNicol: Mr. Chairman, a few days ago I read in a newspaper an item advising that the only shoe factory in Newfoundland is going to close its doors—or has closed, I have forgotten which. In any event the article pointed out that sixty employees would be thrown out of employment. I would suggest to the minister who has the required authority that he should try to keep that shoe factory in operation. I fully realize that with the duties removed they will find it difficult to compete with the big shoe factories of Quebec and Ontario. I believe however that something should be done to protect those employees who own their own homes and who have families.

I am not sure what procedure would be taken. However, in time other business will develop which undoubtedly would take care of those who may be laid off. In the present instance however criticism is appearing in the press because of the laying off of these people, and I would draw the attention of the government particularly to this shoe business in Newfoundland. If necessary some effort should be made to give them orders for boots and shoes for the troops in order that they may continue in operation until the necessary adjustment takes place.

Mr. Howe: I am familiar with the situation, as I looked into it when I was in Newfoundland last week. There are two shoe factories there. Three or four weeks ago one of them announced that they were going to close, but I am told that it is a matter of history that this factory closes every winter about this time. The other shoe factory has announced that it is going to specialize in a certain grade of footwear and expects to expand its operations.

I met both gentlemen. I congratulated the one upon his outlook and said that was the kind of industry Canada wanted to help. The other man came to see me and wanted to know if I had any proposal to make. I said I had none and that I had no use for a man who closed his plant before anything had happened. We can help those who want to help themselves. If others wish to close up and take their profits, that is all right. In this case the plant was fully depreciated and I hope someone else will decide to pick up that business and go ahead with it.

Mr. MacNicol: That was not what I had in mind. What I had in mind was what I have read. The article said there was one plant; the minister says there are two. I do not know what plant the article referred to. This apparently comes under the right hon. gentleman and I would urge whoever has to do with this to keep the present plant in operation.

Mr. Howe: We are going to do that.

Mr. MacNicol: If a plant is closed, that is another matter. This plant should be kept in operation until adjustments take place all along the line. Perhaps they will get more orders in Canada; we do not know.

Mr. Coldwell: I understand that 75 per cent of the revenue in Newfoundland was obtained from customs duties; two and a half per cent from liquor; seven and a half per cent from income taxes; a total of 85 per cent from these three sources. I think it would be well to put on *Hansard* just what is really involved in the loss of this revenue. I suppose some liquor taxes will be retained, but I presume most of them were in the form of excise duties and therefore would be of national interest to them. It should be indicated whether the island will have to raise revenue from other sources or whether financial returns are being made for their entry into confederation. When people are trying to follow a debate right through in *Hansard*, that sort of thing should be on the record rather than hidden away among some documents. The Minister of Finance is not in his seat and it may be that this cannot be done at the moment, but I think it should be given possibly in the form of a table at some later date.

Mr. St. Laurent: I shall draw my hon. friend's observations to the attention of the Minister of Finance, who has been specially concerned with that aspect of the negotiations, and see if a short table cannot be prepared to be put on *Hansard*.

Section 31 (e) agreed to.

On section 31 (f)—*Defence.*

Mr. Hazen: Why is defence included in here when it is covered in section 91 of the British North America Act?

Mr. Claxton: I ask my hon. friend to note the opening words of section 33 which are as follows:

> The following public works and property of Newfoundland shall become the property of Canada.

The purpose of this section is to transfer property and we felt that it should be provided for expressly.

Mr. Hazen: I notice that there is nothing in connection with the printing of money as provided for by section 91 of the British North America Act.

Mr. St. Laurent: No property connected with the exercise of that power had to be transferred.

Section 31 (f) agreed to.

Section 31 (g) agreed to.

On section (h)—*Geological, topographical, geodetic, and hydrographic surveys.*

Mr. Coldwell: Something should be done in connection with soil surveys which might be carried out in co-operation with the new government of Newfoundland. I know that in the west soil surveys have been of great value. While Newfoundland in large part may not have much soil, as I said the other day, the reports indicate the possibility of some agricultural development in western Newfoundland which might provide supplies of milk, vegetables and other products which are now imported. I would think that wherever possible soil surveys should be made. You cannot tell just by looking at soil what it will produce; the necessary surveys must be made.

Mr. St. Laurent: I think that is covered by the statement of questions and answers.

Mr. Coldwell: Is that inferred?

Mr. St. Laurent: Not in the express terms used by the hon. member, but it was stated that it would be the policy of the government to put at the disposal of the government of the island its technical advisers for the purpose of making such economic surveys or investigations as might be required.

Mr. Coldwell: I wanted to mention that particularly.

Section 31 (h) agreed to.

Section 31 (i), (j), (k) and (l) agreed to.

Section agreed to.

On section 32.

Mr. Dickey: This is a general clause dealing with transportation. One of the basic considerations in bringing about union was the economic development of Newfoundland for the benefit of the people of Newfoundland as well as for the general benefit of Canada. This development can take place only when proper facilities are provided and it can be carried on only to the extent which those facilities will permit.

Trade between Newfoundland and Canada, particularly in the winter months, has depended particularly upon the transportation system of the maritime provinces. During the winter a heavy volume of freight passes through Halifax and North Sydney destined for Newfoundland, and the passenger traffic between Canada and Newfoundland passes almost exclusively through maritime ports.

Section 32 contains certain guarantees with respect to the operation and maintenance of transportation services within Newfoundland, and I should like to draw the attention of the committee and the government to the fact that the operation of this transportation system will depend upon the efficiency of the transportation system in the maritime provinces. The hoped-for increase in trade between Canada and Newfoundland will throw an additional burden upon a transportation system which is long overdue for improvement. In this regard I should like to quote briefly from the report of the Nova Scotia royal commission on development and rehabilitation of 1944, known as the Dawson report. I may say to the committee that I do not do so to frighten the people of Newfoundland. I think most of them have personal knowledge of the conditions which are described. Speaking of the railway line between Truro and Sydney, the report reads:

> This section of the Canadian National is incredibly bad and will discourage the most hardened traveller, to say nothing of the tourist, who is supposed to travel for pleasure. The roadbed is rough; the delays are frequent and prolonged; the rolling stock is shabby and run down; the meals are poor. The Sydney-Halifax train does 289 miles in the stirring time of twelve and a half to fourteen and three-quarter hours, including stoppages, or from nineteen and a half to twenty-three miles an hour. In spring and winter trains commonly run from one to six hours late. Cape Bretoners may read about their good fortune in being born in an age of luxurious and rapid transportation, but so far as their own experience goes, these tales are purely legendary and bear no relation to everyday life.

With special reference to the handling of freight traffic, a matter which will be of extreme importance in the future, the report goes on to say:

> The handling of freight is carried out on the same plane of efficiency. The curves are sharp and the grades are heavy, and the train must be broken up and ferried across the strait of Canso, with the inevitable result that freight charges are very high. The largest trainload a single locomotive can haul out of Sydney to Mulgrave is eighteen loaded cars, across the ferry eighteen cars loaded or light, from Mulgrave to Stellarton twenty cars loaded, from Stellarton to Truro twenty-five loaded cars, and the same number from Truro to Moncton. This compares with sixty-five to 100 loaded cars from Moncton west on the transcontinental, depending on the type of locomotive. Freight trains crossing the

strait in either direction lose between five and twelve hours, an average of a full working day. On the basis of 1943 traffic the delay here for freight crossings alone represents a loss in unnecessary wages of $202,000 a year.

If we are to hope for any reasonable expansion and development of trade between Canada and the new province of Newfoundland something must be done to improve the conditions described in the quotations from the Dawson report which I have just read. The fact is that the line between Truro and Sydney, including the crossing of the strait of Canso, has a capacity which is fully taken up at present by the business using that line of railway and the crossing of the strait. What the railway will do with any further traffic is more or less of a mystery. The Minister of Transport knows how the members from Nova Scotia have urged him to consider improving the system, and particularly improving the crossing over the strait of Canso. The entry of Newfoundland into Canada, with the additional burden which will be placed upon the transportation system, although a burden we hope for and which is one of our objects, is only another reason added on top of the very valid arguments and reasons which have existed for years for properly considering improvement of the crossing of the strait of Canso.

In section 32 there is also mentioned a proposal to complete the motor road in Newfoundland which in a few years' time should make possible reasonable highway travel in the new province. The provision of a proper crossing for the strait of Canso is important from that point of view as well. No one will feel that the prospective traffic will be properly served unless a suitable crossing is provided. The province of Nova Scotia has co-operated with the dominion government in what we understand was a thorough engineering survey of the crossing of the strait of Canso, the report on which we are anxiously awaiting from the minister. I think that indicates that the province of Nova Scotia is prepared to do its share in providing for a part of the expense of a highway crossing of the strait. I hope the dominion government is prepared to do its part with respect to the provision of a reasonable and proper crossing from a railway point of view. I want to emphasize to the committee that the entry of Newfoundland is only one further but very important consideration which must be kept in mind.

Mr. Gillis: Mr. Chairman, I have no intention of quoting the Dawson report, the Disney report, or the report of the reconstruction committee. That is merely a historical survey, and you have heard it so often in the house that I would be ashamed to repeat it. The report in which we are now interested is that of the engineering commission which has been dealing with the matter for some considerable time. I concur in everything the junior member for Halifax has just said, but there is one point I should like to stress. I hope that before this section carries the Minister of Transport will be able to stand up in his place and tell us that he is ready to table the report of the engineering commission tomorrow or the next day.

Mr. Chevrier: *Nemo dat quod non habet.*

Mr. Gillis: Bringing Newfoundland into confederation is merely an additional argument for the improvement of transportation facilities on the railway line east of Moncton. Transportation difficulties in that region are referred to in the press from day to day. I noticed that the old ferry that crosses the strait is tied up because there is ice there, and they have to shift her to new moorings, and all that kind of thing. I have seen that in the press every day for the last week. The point I should like to drive home to the government is that practically everyone who has ever discussed the improvement of transportation facilities in eastern Canada is agreed that it should be done. There is no difference of opinion. The reconstruction committee said it should be done; in the Dawson report—and these are all government agencies—it was stressed very strongly. The Disney report, the report of a railway engineer, said it could be done, that it was within reason as far as cost is concerned, and that there was no engineering problem. No one has disagreed with the necessity for it.

Bringing Newfoundland within confederation is going to mean a tremendous increase in traffic on that end of the line. My information is that seventy-five per cent of the imports of Newfoundland previous to this agreement came from the United States by water. When Newfoundland finally hooks up with us and these agreements are ratified I believe those imports which were being brought in from the United States will come from Canada, which means they will have to be shipped down from Ontario and Quebec, dragged over that old, twisted, crooked one-track line, held up at the strait of Canso and then transferred to that inadequate ferry service now operating between North Sydney and Newfoundland. I think there must be an improvement right along the line. If we are to properly service that tenth province I think the government should get a report from the engineering commission as soon as possible and begin the necessary improvements down there. Unless that is done, because of the inadequacy of the transportation facilities, Newfoundland will have to continue to bring in her imports by water from the United States. We have long delays at that end of the line now, with our ordinary

traffic; and if Newfoundland is to get all her imports from us it will make the position that much worse.

The question I want to ask the Prime Minister is this. When seven members are elected and six gentlemen are appointed to the other place from Newfoundland, will the pass on the railways in Canada also be good on the boat from Newfoundland to North Sydney, where they hit the Canadian National railways? If it is not, it should be. I am informed that in many ridings where a boat has to be used the pass on the railway is not good on the boat; and I think that is something which should be given consideration.

I hope the Minister of Transport now is able to tell us when he expects that engineering report on the improvement of transportation facilities in and around the strait of Canso might be available, because it is tied in very definitely with section 32.

Mr. Chevrier: I am sorry I was not here when the junior member for Halifax began his remarks, but from what he said afterward I gathered he was interested in the transportation facilities in that area, and I think mainland of Cape Breton and Newfoundland but also in the whole area extending from the strait of Canso to North Sydney. The hon. member for Cape Breton South also interjected some remarks to which perhaps I should reply.

I had not expected, and I am sure the committee did not interpret, section 32 of the terms of union with Newfoundland to be a section upon which something should be said about Canso. However, I am quite prepared at this time to tell my hon. friends, particularly the junior member for Halifax, who dealt with it at the beginning of his remarks, that it is rather difficult to deal with a matter which is still in the hands of a board of engineers. I am sure the hon. member for Cape Breton South is most anxious to draw me out. I would not think the junior member for Halifax would want to do that; but much as I would like to be drawn out I can only repeat what I said before, which is that the board of engineers is still studying the project. There are four methods of transportation across the straits: the tunnel, the bridge, the causeway and improved facilities. In the last conversation I had with the board of engineers they indicated to me that they could come to no conclusion as to which of these methods of transportation would be most suitable and most practicable having regard to all the circumstances, but that before they could carefully consider the question of a bridge they would have to get authorization to put a test pier down in the strait in order to get certain data. The conversations I had with the board indicated that a report would be forthcoming along those lines. That report has not yet been forthcoming, and when it is I can assure the committee it will be dealt with as rapidly as possible.

Another point raised by the junior member for Halifax was in connection with the transportation facilities not only to and from the I can deal with this rather quickly. The preliminary survey made by the officers of the Canadian National Railways indicated that after union there would be a considerable increase in transportation to and from Newfoundland. The report indicated an increase of thirty per cent for coastal steamships, a thirty per cent increase in rail traffic, and a twenty-five per cent increase in traffic across Cabot strait; and, as has been brought out already, I think it will be necessary to improve the facilities at North Sydney. That is being given careful consideration at the moment, and when the matter has been brought to a definite position it will be possible for me to take it up with my colleagues. Beyond that I am afraid I can say no more at this time.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

The Deputy Chairman: When the committee rose at six o'clock, I believe they were dealing with section 32. Shall the section carry?

Section agreed to.

Sections 33 to 36 inclusive agreed to.

On section 37—*Natural resources.*

Mr. MacNicol: I should like to know if the water powers on the Humber, the Gander and the Exploits rivers have been allocated to any company producing power; and if so, do they belong to the province or to private interests?

Mr. St. Laurent: All the natural resources of the territory included in the island, and that part of the Labrador coast which forms part of Newfoundland, remain with the provincial government.

Mr. MacNicol: Is the Prime Minister able to tell us whether any arrangements have been made in reference to the development of Grand Falls on the Hamilton river in Labrador? It is about 100 or 150 miles east of where the iron is being developed. At the time the bill was passing through the house,

some reference was made to that power. Was that power given away to the iron people? That is something I should like to know. It is a big power resource.

Mr. St. Laurent: I am sorry to say that I have no information about that. It was an asset that was not being affected in any way by the arrangement entered into between Newfoundland and Canada, and we did not go into that question. It is, however, one of great interest and it may be that others have information about it. But as it was to remain under the exclusive control of the provincial authorities, in our discussions no inquiry was made as to what the position was.

Mr. MacNicol: They have control of it?

Mr. St. Laurent: They have control of it themselves.

Mr. Low: If the government of Newfoundland are to be expected to render their people the services they require, it seems to me that the resources will play an important part. If the provincial government finds, however, that it has control of only a small portion of the resources, then their chances of rendering to the people a high type of social services, and so on, will be much less than would otherwise be the case. In so many provinces, it was found after confederation that a large percentage of the resources had been alienated from the crown. I do not know what the situation is in Newfoundland, but it seems to me that the people of the rest of Canada should know just what it is. Can the Prime Minister give us some idea as to what portion of the resources has already been alienated from the crown so that they would not be under the effective control of the new provincial government? Perhaps, if it is possible for him to do so, he would supply the house with a list of the concessions that have been granted, together with the names of the holders of timber areas, land grants, or any other part of the natural resources of Newfoundland, and give us some idea of the extent of these particular concessions. I think this information should be on the record.

Mr. St. Laurent: I am sorry, but I have not that information here. I know that a large area of timber lands was made available to the company now known, I believe, as the Bowater's Paper Company. It belonged at one time to the International Paper Company, I believe. I think they have obtained a concession of large timbered areas, from which they expect to be able to get their pulpwood supplies for a long period. With respect to the other resources, especially those in the Labrador coast territory, my impression is that the water powers are still under the control of the provincial government and will remain under their control. There have been a few mineral leases in that area, but my understanding is that the greater portion of those resources are still for the people of Newfoundland in the same fortunate position that most of the resources of Alberta are in for the people of that province.

Mr. Low: After the resources had been turned back to us in 1931 we found of course that about 52½ per cent of a good many of these resources had been alienated from the crown. That was true of oil. That is why today the people of Alberta cannot recover, for their own services, the royalties from those parts that were alienated. I appreciate the statement the Prime Minister has made, but I just wondered if it would not be possible to obtain a list of the concession holders in order to have it on the record. I say that for this reason. Some day the people of Newfoundland may come back and ask for a revision of the financial arrangement, at any rate. The people of Canada ought to know under what conditions they are operating. If the rest of Canada has on *Hansard* a record of the list of concessions and the extent of them, then the people will have at least some basis on which to form a judgment as to whether or not the Newfoundland agreement should be revised.

Mr. St. Laurent: I am sorry, but I have not that information.

Mr. Gillis: Can the Prime Minister give us any indication as to how the Labrador iron ore deposits are situated at the present time? Has the Newfoundland government granted the exploration rights in that area to a United States exploration company?

Mr. Howe: I understand that the rights have been granted to a company that is owned in Canada, with a minority interest in the United States. It is the same company that is exploring for minerals on the Canadian side which has rights in Newfoundland. It is the Labrador Exploration Company.

Mr. Gillis: I heard the accusation made from the other side of the house that the only reason Canada was now interested in bringing Newfoundland into confederation was that we were after the Labrador deposits. That answer given by the Prime Minister explodes that particular argument because Canada, through that exploration company, with a tie-in in the United States, now has the leases and the right to exploit those resources for the next ten years. I wanted that answer for the purpose of exploding that particular argument.

Section agreed to.

On section 38—*Veterans.*

Mr. Brooks: I assume that the minister will explain this section. Certain parts are not clear, and certain questions might be answered. Reference is made to hospitalization. The committee would like to know, for instance, what hospitals there are in Newfoundland at the present time for the accommodation of veterans; the number of pensioners in the island; and the probable number of those who might be eligible for the war veterans allowance. The section says that the Veterans' Land Act, the Unemployment Insurance Act, the Veterans Business and Professional Loans Act, and the Veterans Insurance Act will be extended to Newfoundland veterans who served in the second world war. As to the Veterans' Land Act, of course, I do not think there is any time limit within which veterans need to make application, but I am not sure about that. Under the Veterans Business and Professional Loans Act application in Canada must be made within five years. If we use the same act, I think it will have to be amended in some way so that the veterans in Newfoundland can make application within the necessary time. Section 38 says:

> A re-establishment credit will be made available to Newfoundland veterans who served in the second world war . . .

That does not present much of a problem because under our act any veteran can apply for his re-establishment credit within ten years from the date of his discharge from the army. Since there are a number of years to run, the veterans of Newfoundland will have an opportunity to make application for this credit. I come next to the War Service Grants Act. I believe there is a time limit in which application must be made for the benefits under that act. Perhaps the minister will tell us what amendments will be necessary there. The committee might be interested in knowing what benefits were given to the Newfoundland veterans under the different veterans acts in that island.

Paragraph (e) of section 38 says:

> Canada will assume, as from the date of union, the cost of vocational and educational training of Newfoundland veterans of the second world war on the same basis as if they had served in His Majesty's Canadian forces.

Canadian veterans made application for their educational and vocational grants within a certain period after they were discharged from the army. I believe the act states definitely that the applications must be made within fifteen months after the veteran is discharged. This of course is 1949 and the time in which the Newfoundland veteran could apply has expired. If the Newfoundland veteran is to be given the same advantages, an amendment will have to be made to the act. I have no doubt that there are in Newfoundland many young veterans who have not taken advantage of any educational or vocational possibilities in their own country. Possibly there were none. There may be young men there who wish to go to university or wish to take vocational training. Is it the intention to give these men a full four or five years' educational or vocational training, as our veterans are receiving? I do not think there are any other matters on which I require explanation.

The Veterans Insurance Act will allow a veteran to apply for insurance at any time. There is no limit in that act. What arrangements are to be made to allow the Newfoundland veterans to apply for these different benefits?—because a time limit was placed in the different acts in Canada.

Mr. Gregg: If I miss answering any questions which my hon. friend asked, perhaps he will remind me of them. When the delegation was here last fall and met with myself and officers of my department, on a number of occasions they had with them, though not as part of the delegation, two representatives of the veterans organizations in Newfoundland. These men were brought to the meetings with the Department of Veterans Affairs. All matters were thoroughly and fully discussed. I think I can say that the main part of section 38 covers in a general way all the situations raised by my hon. friend. The section reads:

> Canada will make available to Newfoundland veterans the following benefits, on the same basis as they are from time to time available to Canadian veterans, as if the Newfoundland veterans had served in His Majesty's Canadian forces, namely...

For the purpose of clarity the various items are detailed in paragraphs (a), (b), (c), (d), (e), and (f). With regard to hospitalization, paragraph (vi) in the statement of questions raised by the Newfoundland delegation states:

> The responsibility for hospitalization of veterans rests with the Canadian government. If it becomes apparent that a need for extra beds for veterans exists in Newfoundland, these will be provided through extension of existing facilities or new hospitals. The final decision in this respect will depend upon on-the-spot investigation.

We have received a good deal of information on existing facilities. We have not a clear-cut report on it yet. Therefore the key point is an on-the-spot investigation which will be carried out just as soon as this agreement is completed; but the principle involved is set out in the paragraph that I have read.

With regard to pensions, as hon. members know, in the first world war Newfoundland had in the main its own force or forces. There were some men who served in the

Canadian forces and in allied forces. In the second world war, in the main, those who served from Newfoundland were enlisted in British units, mostly artillery, in the R.C.A.F. and in the Royal Navy. Of the veterans of world war I, those now living in Newfoundland and those who served on behalf of Newfoundland and who may now be living in other parts of the world, 1,103 are in receipt of pensions. That includes dependents. Of world war II, in the same category there is a total of 642 in receipt of pension at the present time. I might add that in world war II the pensions are paid by the British ministry of pensions. In both cases, however, it is the intention to bring these pensions up to the Canadian scale. It also appears that there may be others who may not be eligible under their present arrangements but who may qualify under our pension scheme. It is not yet possible to estimate how many that will be.

Mr. Brooks: Will any back pension be paid, or will the Canadian pension be paid as of the date of union?

Mr. Gregg: As of the date of union.

Mr. Brooks: The difference between the British pension and the Canadian pension will not be paid back?

Mr. Gregg: That is right. In the past Newfoundland has not had anything comparable to our war veterans allowances, and it has not been possible to make anything like an accurate estimate of how many applications there will be. It is presumed it might be about the same ratio as the maritime provinces, but that is only an estimate.

The next point is the Veterans Land Act. Those with whom we discussed the matter felt that under that act there would not be many applications for full-time farming. My hon. friend is right in saying that no cut-off date has yet been set under that act. It was expected that there would be some applications for small holdings, but that the main interest would be in commercial fishing. These applications will be received and considered, and it was undertaken that, in commercial fishing, those who had been assisted by the Newfoundland government to a lesser amount than that for which our act provides might be brought up to the full terms under our act.

Mr. Brooks: Were any representations made to have the three acres of land, as I believe the provision stands in the present act, reduced to one acre? I ask this question because we know that in the little fishing villages of Newfoundland land is scarce. In order for these veterans to come under the Veterans Land Act it would seem to me it would be necessary to reduce the amount, as was done with respect to the Yukon last year?

Mr. Gregg: No. During the discussion that point was not raised either by the delegation or any of those who were advising them.

Mr. Brooks: I do not think the minister answered my question. In the present act there is a limit on the time in which students may make application. I presume it is the intention of the government to amend the act by changing the time limit to permit Newfoundlanders to come in. How much time are they to be given at college? Is a man to start his college course now, and have the five or six years necessary; or will he just finish out the college course which possibly some of the veterans have already undertaken at their own expense?

Mr. Gregg: As indicated in section 38, those benefits in existence on April 1, and from there on, will apply. So that with regard to all veterans under rehabilitation, including university and vocational training, veterans of world war II in Newfoundland would, after April 1, be in exactly the same position as veterans in Canada.

So far as vocational training is concerned, that is pretty well completed in Canada, with the exception of those veterans who may have been in hospital continuously. To take one example, there are veterans who have been in hospital continuously since the end of the war, but who have now finished treatment and are able to get out on their own. In such cases there is authority to approve entry into a vocational training school, or to approve university training. That of course will hold true in Newfoundland. So that, in vocational training, it was not expected there would be many who would qualify.

With respect to university training, Newfoundland has had a scheme of its own somewhat similar to ours. It is the intention that those who are in under that scheme as of April 1 might be picked up and carried on by the Canadian government under exactly the same terms as our own student veterans.

Mr. Church: I am wondering if these provisions in paragraphs (a) (b) (c) (d) (e) (f) include the men of the merchant marine who advanced the supplies of food in the battle of the Atlantic. For example, I am thinking of the admiral of parliament hill, Admiral Duff —now in another place. He was born in Newfoundland. Those men of the merchant marine who were out night and day in the battle of the Atlantic were brave men, and they should be included. I believe some survey should be made to see how many there are.

There was a time when some of my friends to my left spoke about the other place being

moved to Hull. I think it was Disraeli who coined the phrase Hull, Hell and Halifax. I would like to know how many of these members of the merchant marine are affected.

Mr. Gregg: I am sorry I have not the figures showing how many there are. I can answer the hon. member in this way, however, that after April 1 the merchant marine of Newfoundland will receive exactly the same benefits as the merchant marine in Canada at that time, and will receive the benefit of any changes which may be made with regard to them in the future.

Mr. Gillis: The hon. member for Royal asked the minister a moment ago if any representations had been made for the lowering of the land requirements under the small holdings section of the Veterans' Land Act. Let me remind him that the house passed a bill, as recommended by the last committee on veterans affairs, in which the land requirement was fixed at one acre. After that was done the provision was rescinded, and the land requirement was stepped up to three acres, a procedure which turned out a lot of veterans in Canada. I thought the hon. member might have forgotten, and I am reminding him, as well as the minister.

This section is giving to the veterans of Newfoundland exactly what our veterans are getting. There is something however I should like to bring to the minister's attention, and that is the provision whereby the Canadian government will bring up to Canadian standards the rates received by veterans who were taken care of under United Kingdom or allied-countries veterans legislation. That is all to the good, so far as Newfoundland is concerned.

However, it also poses a problem which has been before us for many years, with respect to imperial veterans who have been resident in Canada for twenty-five or thirty years. We are now going to extend to Newfoundland veterans all the benefits Canadian veterans have fought for and have received over the years—and I am all for it. It will benefit those who are becoming Canadian citizens on March 31 of this year. But we have in Canada a large number of imperial veterans who came here after the first war. They have been residents of this country; they have been producers and they have been taxpayers. But we have never seen fit to extend to them the rights of Canadian citizenship, so far as veterans legislation is concerned. I suggest the house should give serious consideration to that condition, because it was one of the chief problems before the veterans affairs committee.

Now that we have become generous enough to extend those privileges to people who just now are about to become citizens of this country, I think the house should give serious consideration to extending the same privilege to residents of this country who were imperial veterans and who, as I stated earlier, during all those years have been taxpayers and producers. Many of them served in the second war with the Canadian army, either in the veterans guard or in other units.

By accepting pensioners who served in the imperial service and whose pensions were paid by the British government, we are now setting a precedent which should be extended to those imperial veterans who for the last twenty years have been fighting for those things now being written into this agreement.

Mr. Pearkes: Tribute has already been paid to the glorious record of the men of Newfoundland in two world wars. However, I wish to call attention particularly to the application of the war veterans allowance to the men of Newfoundland. What I shall say will tie in with the remarks just made by the hon. member for Cape Breton South. The provision of the War Veterans Allowance Act, in so far as men who served with what is commonly called the imperial forces are concerned, applies in two respects.

In the first instance it applies to those men who were domiciled in Canada some time prior to the outbreak of world war I but who before the outbreak of that war moved from Canada and went to live elsewhere, perhaps in the old country, perhaps in the United States, perhaps in Newfoundland, and then joined the imperial forces. They had left Canada perhaps twelve months before, but they served with the imperial forces and then came back. Those men were Canadians.

Many men from Newfoundland served with the unit which eventually became known as the Royal Newfoundland regiment, but there were also many others who served with the Royal Navy, the Royal Air Force and the Imperial Army. I presume that if they had left Newfoundland to serve in the Royal Navy they would be in the same position as men who had left Canada to serve in the Royal Navy; they would be eligible for war veterans allowance.

Now what happens to the Newfoundlander who left Canada under the conditions prescribed last night by the hon. member for Cape Breton South? The hon. member pointed out that many Newfoundlanders come to Canada at certain seasons of the year to find temporary employment. Is the Newfoundlander who was living in Canada six or twelve months—the actual time does not make any difference—and who went from Canada to join the imperial forces, entitled to a war veterans allowance?

Mr. Mutch: He is now.

Mr. Pearkes: What is the position of a Canadian who may have been living in Newfoundland for twelve months but who up to now has not been entitled to a war veterans allowance? Is he going to be entitled to a war veterans allowance now that Newfoundland has been brought into confederation? Surely it must be a reciprocal agreement.

What about the Newfoundlander who instead of going to Nova Scotia went to the United States, worked there for a year and then left the United States to join the Royal Navy? He could not join a Royal Newfoundland navy, because there was no such thing. Are you going to draw a distinction? Are you going to say that the Newfoundlander or the Canadian who left Newfoundland or Canada to go to live in the United States or the United Kingdom twelve months before the outbreak of the war is not to be entitled to a war veterans allowance until perhaps some time when we see fit to ask the United Kingdom if they would like to join confederation?

I think we are going to ridiculous extremes. It is time for us to say that any man who was domiciled in Canada and who served in any force of His Majesty should be entitled to the benefits of the War Veterans Allowance Act, whether or not he had lived in Canada or in Newfoundland for the six or twelve months immediately before the outbreak of the war. This applies particularly to those Newfoundlanders who had left Newfoundland for a period of time, as has been pointed out already, in order to take temporary employment somewhere else, who served with the imperial forces, and who came back to live in Newfoundland or in Canada.

Here is a grand opportunity for the government to bring in an amendment to the War Veterans Allowance Act, which has been long overdue, to provide that any man who was domiciled in Canada and who served in the forces of His Majesty shall be entitled to war veterans allowance. That is one class.

The hon. member for Cape Breton South has referred to the man who served with the imperial forces. Many men of the Royal Navy, the Royal Air Force or other imperial units, who served side by side with Newfoundlanders or Canadians and heard of the advantages of Newfoundland or Canada, decided to move to Newfoundland or Canada after the war. For the past twenty years or more those men have been residing either in Newfoundland or Canada. I have pleaded the case of these imperial veterans many times in this house and I hope the opportunity will now be taken to include them in the benefits which accrue under the War Veterans Allowance Act.

There is another comment I should like to make with regard to the application of the War Veterans Allowance Act to the men of Newfoundland. I am told that to a large extent the veterans in Newfoundland own their own homes. A veteran, be it in Canada or in Newfoundland, is entitled to own property valued up to $4,000 and still be eligible for a war veterans allowance. But if for any reason that man should sell his property and put the $4,000 into an annuity or government bonds, he is immediately deprived of that benefit. Quite frequently because of changed circumstances, perhaps the death of a wife or something like that, a man may decide to sell his home and place the money in bonds for the time being in the hope that at some future time he will be able to purchase a new home. That man finds himself cut off from the war veterans allowance. The officials who administer the War Veterans Allowance Act are governed by the regulations and they must tell that man that he cannot draw a war veterans allowance until his liquid assets have been reduced to $1,000.

That man must live on his meagre capital derived from the sale of his house until it has been reduced to $1,000. When he reaches that point he loses all possible hope of ever being able to purchase a home of his own. The recipient of a war veterans allowance is permitted to have casual earnings or independent income up to $125 per year, but if the man who sells his home puts the $4,000 into bonds the interest would be less than that.

This is another amendment which is urgently needed in view of the fact that many veterans in Newfoundland own their own homes. Having disposed of their home it may be that they want to put the money into some form of government bond. They will be told: "You cannot draw the war veterans allowance now; you have got to wait until you have used your capital, until your liquid assets are reduced to $1,000". I ask the minister to give the most serious consideration to those three points. The first point is to make the benefits of the war veterans allowance available to every man who has been domiciled at any time in Canada or in Newfoundland, who has served in any of His Majesty's forces and has returned either to Newfoundland or to Canada. Secondly, I would ask him to take the opportunity now of including all our comrades who served in the imperial forces, and who have lived in Canada or Newfoundland for a period of twenty years or more. The third point I wish him to give consideration to is the heartbreaking regulation which forces a recipient of the war veterans allowance to live on his capital until it has been reduced to $1,000.

Mr. Gregg: I am sure the hon. members for Nanaimo and Cape Breton South will not

expect me to cover fully points 2 and 3. Point 2 was made by both of them. They are larger questions, and I shall be glad to discuss them at some later date. I should like to say with regard to point 2, however, that there are a number of old veterans in Canada who cannot be quite properly defined as imperials, and who served in either the commonwealth forces or the allied forces. The third point made by the hon. member for Nanaimo was not made by those who discussed very thoroughly how the war veterans allowance would be reflected amongst the older veterans of Newfoundland, but I assure him we will keep that in mind as we enter upon the administrative stage after the first of April.

On the first point made by the hon. member for Nanaimo, as we stand now in Canada, a man domiciled in Canada before he enlisted in the first world war is eligible to apply for veterans allowance regardless of whether he served in the commonwealth forces or in the allied forces. Therefore, when this agreement is signed, those Newfoundland veterans of world war I who served on behalf of Canada, as it will be then, wherever it may have been, and who had pre-war domicile in Canada, as it will be then, will be eligible to apply for war veterans allowance.

Mr. Pearkes: I am very pleased to hear the minister say that those men who were domiciled in Canada, and who served in the imperial forces, will now be eligible for war veterans allowance. I know they have been allowed to apply for war veterans allowance, but they have not in all cases received it. I have referred individual cases to the minister and to his department, and the answer has always been that these men were not domiciled immediately before their enlistment. I can tell the names of men who were living in Canada prior to the outbreak of world war I, had been living here for a number of years, and for some reason had left Canada and gone to the United Kingdom. Sometimes it was for educational purposes, and in some cases to adjust private matters. In other cases they had gone to the United States. Because they had left Canada for a period of twelve months prior to the outbreak of war, although they had been domiciled in Canada for four, five or more years, they have been refused the war veterans allowance. If a man was domiciled in Canada immediately before he enlisted in the imperial forces I know he is eligible for the allowance, but those who were not domiciled here immediately prior to the outbreak of war have had their applications refused. I am pleased to note, however, that the minister has now said that they will be eligible.

Mr. Gregg: I should like to comment briefly. There has been no change. The present act, and the interpretation of it, makes eligible those men who were domiciled in Canada immediately before the outbreak of war.

Mr. Pearkes: Immediately, yes.

Mr. Gregg: That has been the interpretation, and until any change is made that will apply to those in Newfoundland.

Mr. Mutch: There is one question with respect to immediate domicile. The war veterans allowance board has consistently ruled that those people are eligible who, having been domiciled in Canada, left Canada for purposes of education. I think I can quite safely challenge anyone to find an authentic case of a man being declared ineligible if he left Canada for educational purposes, even if he was in the middle of two years at Oxford, or something of that sort. If he came originally from England, and his parents came with him and established domicile here, the board has consistently held that his domicile was here. In such a case he would be treated as though he had enlisted from an immediate domicile even though he joined the forces while he was at Oxford, let us say. If I understood the hon. member for Nanaimo a few moments ago when he was talking about this matter, he kept repeating the fact that Canadians, who left Canada and went to the United States or some other place, and who subsequently joined the British navy or some other force, have not been eligible in the past under the War Veterans Allowance Act. If that is what he did say, then the hon. gentleman will realize, of course, that he is in error, because there is no question of domicile for a Canadian. It follows that when a Newfoundlander becomes a Canadian, as he will do, the question of domicile does not exist. The question of domicile exists for those who came as immigrants to this country, who were here for a time and then returned home, joined the allied forces, and subsequently returned. As to the interpretation of the question whether or not they are domiciled, the period is not fixed except by practice. The whole entitlement hinges on the question of domicile, and the interpretation is in the hands of the board itself. It will be the same situation when we extend these benefits to our new Canadian cousins in the province of Newfoundland.

Mr. Smith (Calgary West): Is the parliamentary assistant to the Minister of Veterans Affairs not confusing domicile with residence? It is very obvious that is what he is doing, because it is being interpreted that a man must have been living in Canada immediately prior. As far as domicile is concerned, it does not matter where he is living.

If he has gone away somewhere he retains his Canadian domicile until he acquires a new one. The hon. member's interpretation is that he must have been living here, which is not at all what the act and the regulations say. He has not changed his domicile in the circumstances related by the hon. member for Nanaimo, and yet that man, retaining his Canadian domicile, is today, and has been, refused by the department.

Mr. Mutch: Very rarely.

Mr. Ferguson: If a United States citizen enlisted in the Canadian navy, fought for this country, and after the war made his residence in Canada, would he be entitled to it?

Some hon. Members: Louder.

Mr. Ferguson: Mr. Chairman, may I ask you to again take up with the Speaker the matter of amplifiers for this chamber, since certain hon. members find it difficult to hear even me. Either their hearing is defective or amplifiers are absolutely necessary.

Mr. Gregg: The answer is, no, he would not be.

Mr. Ferguson: A soldier or a sailor of United States birth who had served this country for four years in the first war, and who comes here and takes up residence, would not have his service to this country recognized and would not be helped if he were in need? I think it is a shame.

Mr. Gregg: Not unless he was domiciled in Canada immediately before the war.

Mr. Harkness: I understand from what the minister has said that, say, an Englishman, who served in His Majesty's forces during the first great war and went to Newfoundland in 1921, where he has been living ever since, would not be eligible for the war veterans allowance, and so on, as the minister interprets this matter. Is that correct?

Mr. Gregg: That is correct.

Mr. Harkness: If that is the case I suggest that the wording of paragraph (a) is incorrect. I feel quite sure that such men in Newfoundland by this time would look upon themselves as Newfoundlanders; and since this paragraph states that these benefits are to be extended to Newfoundland veterans who served in either the first or the second war, or both, they are being definitely misled. They will consider themselves Newfoundlanders, as I think any man who has lived in this country since 1920 or 1921 would consider himself a Canadian; and they will be expecting to receive these benefits. If they are not going to get them I would suggest that the wording of this paragraph be changed, to make it quite clear that such men are being excluded.

Mr. Gregg: As I said in the beginning, the main paragraph of section 38 governs, and it refers to such benefits as may from time to time be available to Canadian veterans. The person in the instance quoted by my hon. friend would not be eligible if he were in Canada; and I can assure the hon. gentleman that the terms of the War Veterans Allowance Act, and in particular the Pension Act, have been very carefully studied during the past months by the veterans of Newfoundland.

Mr. Pearkes: The parliamentary assistant made reference to the fact that if they were not Canadians they would not be eligible for the war veterans allowance. I do not know what he is talking about, because it does not matter whether a man was born in Canada or whether he emigrated to this country four or five years prior to the outbreak of the first world war. To my knowledge there is nothing in the act which draws any distinction between a person born in Canada and a person who acquired Canadian citizenship through residence here.

Mr. Mutch: My hon. friend and I are in exactly the same predicament. He professes not to have understood what I meant, and I rose because I could not understand what he meant. By accident, perhaps—because I am quite certain the hon. gentleman knows the difference—in his remarks a few moments ago he referred to the Canadian who had gone to the United States or somewhere else, and in what he said he implied that this Canadian would have lost his domicile. I simply said that had never been the situation, that the only applicant for the war veterans allowance who is concerned with the question of domicile is one coming from outside Canada who had established his domicile in Canada previous to enlistment. I do not think my hon. friend meant to confuse the Canadian, either in Canada now or the new Canadians as they will be after March 31, with one who had to establish domicile. If a man is in fact a Canadian the question of domicile would not arise, even though he had been gone from Canada for twenty years before he enlisted in an allied service, if he had maintained his Canadian domicile. That is an entirely different matter.

Mr. Pearkes: I am sorry to be so persistent about this, but a Canadian who left Canada for a period of twelve months and then, either from the United States or the United Kingdom, joined the imperial forces, is not entitled to the war veterans allowance.

Newfoundland

Mr. MacNicol: I want to ask two questions on this section. First, what will be the position of the South African war veteran in Newfoundland after confederation? Will it be the same as that of the South African veteran in Canada? Second, what about the widows of deceased non-pensioned soldiers? Will their position be the same in Newfoundland as in Canada?

Mr. Gregg: The situation in regard to the war veterans allowance and pensions as they affect South African veterans will be exactly the same in Newfoundland as in the rest of Canada.

Section agreed to.

On section 39—*Public servants.*

Mr. Church: According to this section the employees of the government of Newfoundland in the services taken over by Canada under this agreement will be offered employment in these or similar Canadian services, and they are to have all pension rights, and so on, to which otherwise they would be entitled. If these officials are to be appointed in the same ratio to population as the six persons who are to be called to another place, sometimes known as the place of the saints' everlasting rest, I am afraid they will reach four deep from here to Lansdowne park, judging by the way we have been increasing officials.

Section agreed to.

On section 40—*Welfare and other public services.*

Mr. Knowles: This is an omnibus section, which covers a number of matters, and to begin with I should like to ask one or two questions in reference to old age pensions. I am sorry the Minister of National Health and Welfare is not in his seat, but I see his parliamentary assistant is here. One situation obtains in connection with old age pensions which is somewhat analogous to the problem that has just been discussed with respect to the war veterans allowance. I refer to the residence qualifications. If I understand the terms aright, once Newfoundland becomes part of Canada it will mean—and I would say rightly so—that a person who has lived in Newfoundland for the required qualifying period, which is twenty years as defined in the regulations, will qualify for the old age pension. This means that before long we are going to have this situation. We will have people who have lived in Newfoundland for a period of eighteen years, during which time Newfoundland was not part of Canada, qualifying after two years' residence in Canada for the old age pension. On the other hand we have people who have lived in the United Kingdom for ten or fifteen or eighteen years of the qualifying period coming to Canada for the last two or three years before reaching the age of seventy, and they will not qualify.

Mr. Gibson (Comox-Alberni): Why not?

Mr. Knowles: The hon. member for Comox-Alberni asks why not. That is the way the law reads, the law brought in by the government my hon. friend usually supports. If by his question my hon. friend is deploring this fact, I quite agree with him. I want to make clear what I said a moment ago, that I feel it is perfectly right that this provision should apply in the case of people in Newfoundland. But it does seem to me to highlight, as did the veterans problem, the need for a reciprocal arrangement in matters of social security and old age pensions in particular. I wonder if consideration has been given or will be given, as a result of this situation, to a reciprocal arrangement at least between this country and the United Kingdom, and I think we should go further and have such arrangements between Canada and all the other countries of the commonwealth.

Mr. Reid: As the hon. member will readily understand, I am not in a position to say whether or not the matter has been given consideration. All I can do is to assure him that the matter laid before the committee a moment ago will be brought to the attention of the minister.

Mr. MacInnis: I am not sure whether or not there is an old age pension scheme in effect in Newfoundland at the present time; or if there is, I do not know what the amount of the pension is. If there is not, the people of Newfoundland cannot, I assume, take advantage of the dominion government's contribution to old age pensions until an old age pensions act is passed by the provincial government that will take office. Will this government wait until that time or will it pay its share of the contribution to old age pensioners who qualify in Newfoundland after March 31, 1949, pending the time the legislature puts an old age pensions act into effect? That would mean, of course, that under present conditions persons in Newfoundland over the age of seventy, and qualifying for the old age pension, would receive a pension of $22.50 a month. Has that phase of the question been discussed?

I have in mind that it will take a considerable time for the provincial government to be elected and to get its affairs in order. In the meantime there are old people who

perhaps ought to be assisted with the amount that the federal government is giving toward old age pensions.

Mr. St. Laurent: That matter was carefully considered for a considerable period of time, but it was not found possible to devise any way in which the old age pension could be paid before there was in existence in Newfoundland a provincial government responsible to a legislature. The act requires the making by a provincial government of a contract with the federal government, in order to recoup three-quarters of what it pays out for old age pensions, under its provincial law, up to a maximum of $30 a month. Suggestions were made that, if the legislature elected in Newfoundland passed a law of that kind, it might be made retroactive. It was desired to give the people of Newfoundland treatment as good as that which was given to Canadians of the other provinces. As the hon. member knows, in my province it was a matter of several years, after the dominion old age pension legislation was passed, before the provincial government passed its statute and took advantage of it; and there were no retroactive payments to the old people of my province at that time. It was felt that it would not do to be treating the people of Newfoundland in a manner different from that in which Canadians of the other provinces had been treated. The delegation from Newfoundland, therefore, finally but most reluctantly came to the conclusion that the best thing to do would be to proceed as expeditiously as possible to elect their legislature, enact their old age pension legislation, and make their contract which would become effective as soon as it was made.

Mr. MacInnis: I appreciate all the difficulties that the Prime Minister has pointed out. With the best intentions in the world, perhaps it would prove impossible to devise a scheme that could accomplish what I mentioned. But I do not believe that at the present moment Newfoundland is in the same position as were the other provinces before they took advantage of the Old Age Pensions Act. The act was there for them to take advantage of it; and if they did not do so, that was the fault of the provinces. But here we have coming into confederation a new province that did not have that opportunity. I had hoped there might be some way by which the dominion could make the payments, pending the time that a provincial act was passed.

Mr. Knowles: I should like to ask a further question in connection with the point emphasized by the hon. member for Vancouver East. It seems to me that it highlights the need for old age pensions being put on a federal basis. We are all annoyed and disturbed by the fact that there must be this long delay before old age pensions become effective in Newfoundland. My question is this. If the dominion-provincial conference of 1945 had succeeded, and the plan to pay $30 a month to every Canadian over the age of seventy, without a means test, had been put into effect, would that $30 a month go to the people of Newfoundland as at April 1?

Mr. St. Laurent: In the hypothesis just mentioned by the hon. member, it would. Just as soon as a resident of Newfoundland became a Canadian citizen, with the required period of residence in Newfoundland, he would have been entitled to the old age pension under that scheme. But that is not the scheme that exists at the present time. Under the present scheme, any province can pay old age pensions under a provincial law, and recover three-quarters of what it pays up to a maximum of $30 a month. The hon. member says that it highlights the desirability of having the matter on a federal basis. There are people who will agree with the hon. member, but there are a great many who will not.

Mr. Knowles: That was the government's proposal to the provinces in 1945.

Mr. St. Laurent: Yes. That was the proposal at the time, because there was to be a pension payable to everyone without a means test.

Mr. Knowles: Hear, hear.

Mr. St. Laurent: But this is a pension which is payable to those who require it, according to the standards set by the legislation. The pensions are administered by the provincial governments and it is they who determine whether or not an individual comes within the category determined by the means test. The responsibility of the federal government under the federal legislation is to reimburse to the province three-quarters of the amount it has in fact paid out, up to a maximum of $30 a month for each pensioner.

Mr. MacNicol: A considerable number of Newfoundlanders live in Toronto, many of them in Davenport riding. Many of them are quite old. For some time two Newfoundlanders came to me to see whether I could assist them to get old age pensions. One was eighty-four years old. He has since died. The other was seventy-eight, and he too has died. I know quite a number of others. The one who was eighty-four years old had lived in Toronto for nineteen years. The other had lived in Toronto for eighteen years. They were both away over the age limit. Of course the Ontario government could do nothing for them. I am wondering

what would have been the position of these men had they lived until the time that Newfoundland had joined Canada.

Mr. St. Laurent: My understanding of the legislation is that as soon as they became Canadians they would not have to wait until the government of Newfoundland had passed a pension act. They would have twenty years of Canadian residence and could receive from the government of the province where they were then residing the pension provided by the laws of that province.

Mr. Drew: In view of the fact that there have been put on the record some statements which were doubtless a matter of interest not only to hon. members but also to people in Newfoundland who are interested in this subject, I think it would be well if I clarified one point in regard to the proposals in respect of old age pensions which were put forward by the dominion government in 1945 and in an amended form in the spring of 1946. I might say on behalf of the province which I then represented that I had put forward proposals in regard to old age pensions without a means test. But I would remind hon. members that the proposals put forward by the dominion government in regard to old age pensions were part of a combined set of proposals which were described by the then Prime Minister as an integrated whole, and that it was necessary so to regard them. These were to be paid—not only old age pensions but other provisions—with the understanding that special taxes were to be imposed to take care of these payments. Two of the special taxes which were included in the proposals of the dominion government should not be forgotten. One was a special income tax estimated at 5 per cent of all incomes without exemption over and above any other taxes now paid. The other was a poll tax estimated at that time in the case of Ontario at $12 a head on every man, woman and child of sixteen and over, whether employed or not.

I would ask hon. members to recall these two special taxes as part of the dominion proposals when they are informed that there were certain suggestions as to certain benefits to be received.

Mr. Knowles: It does not fall on me to defend the dominion proposals to the provinces back in 1945. I just wish to make this comment on behalf of the government, if I may, but I am really speaking on behalf of the people of Canada who suffered a great loss because that conference broke up in 1945. I just wish to say on behalf of the government that the $30 a month old age pension to all Canadians of seventy and over without a means test was not the only one of the things offered as against any additional taxes that were to be collected to pay for them.

As I have already intimated in what I said, I asked my question a moment ago for two reasons. Perhaps one of them has already been met but the other one has not. The one thing I was anxious to draw attention to was what Canadians in nine provinces have lost and what Canadians in the ten provinces will lose because of the impossibility of the dominion and all the provinces getting together. The other hope that I had in raising the matter was that the Prime Minister would indicate, as his predecessor did a number of times, and as the Minister of National Health and Welfare did all during the debate on old age pensions two years ago, that that basic idea of a minimum pension of $30 a month at age seventy to all Canadians without a means test was still part of the government's aim and policy. The Minister of National Health and Welfare told us so a good many times when he referred to these proposals, and he said that still constituted the basic plan. I am disappointed tonight that the Prime Minister did not take the opportunity to say that so far as the government which he heads is concerned that is still the aim.

Everyone in this house, and everyone in the country knows where the C.C.F. stands—knows of our interest, our concern and our definite pledge to the people of Canada. It is that there will be security for our old people in the form of old age pensions payable to all at a respectable age without the means test. But tonight I am asking—and I hope now that I am affording him the opportunity to give it to us in terms a little more clear-cut he will do so—that the Prime Minister state the position of his party on this important question.

Mr. St. Laurent: The position of this party on this question has always been well known to the country. It has involved a pension of $30 a month without a means test but on a contributory basis. In order to have a contributory basis it is necessary that there be an understanding with all the provinces to enable the raising of the contribution by a compulsory contribution in the form of taxes earmarked for that special purpose. That requires an understanding with all the provinces, because, under the taxing powers that the federal government has under section 91 of the British North America Act, it cannot impose taxes for these social services as such.

Mr. Graydon: I have been interested in the discussion which has taken place with respect to the time when old age pensions will

be available to the senior citizens of Newfoundland. These older people are in the evening of life, and the government of Canada ought to realize, as no doubt it has, that delay in the payment of old age pensions is a serious matter. The time element is now more important than ever to these people. It could easily happen, and this has been the experience of nearly everybody who has had anything to do with this work, that they might go for months before the machinery is set up and all of the qualifications met.

From March 31 to when the first cheque is issued may be quite a long time, particularly in the minds of many older citizens in the new province. Has the Prime Minister given any consideration to this? If the provincial legislature of Newfoundland were to enact at the earliest opportunity a piece of legislation which would have the effect of bringing in old age pensions, and were to make it retroactive to March 31, is there anything to hinder this government from recognizing that retroactive provision and making these payments in bulk when the first payment is made?

Mr. St. Laurent: There is, in the present act. The present act merely provides for operation in the future, and it would require special legislation to implement my hon. friend's suggestion. The matter was given very careful consideration by the delegation when it was here. There were members of the delegation who were most anxious to find some way by which old age pensions could become payable at the earliest possible moment. They even gave consideration to the possibility of the commission of government enacting, while still in office, a system of old age pensions, and providing for the payment of the old age pensions in the budget that it will make for provincial purposes. But we were informed that, after giving the matter serious consideration, the members of the commission of government felt it was something that it would not be proper for them to do. It was something of very great consequence, and it was felt that the responsibility for doing it should be taken by a legislature elected by the people of Newfoundland.

I may say quite frankly they were told that, if there could be found any way that would make it possible to have that done, without creating the obvious situation that the people of Newfoundland were being treated better than Canadians had been treated in that regard, we would be happy to give it very sympathetic consideration. But they came to the conclusion that their commission of government would not take the responsibility of introducing a system of old age pensions in their dying hours, and that they would have to leave that responsibility to a legislature elected by the people of Newfoundland.

Mr. Drew: Of course, I think it would be appropriate to explain at that point that this is one of the reasons why some objections are being raised in Newfoundland to the procedure being followed. If there had been a legislature, then it would have been possible for that legislature to set up the social service organizations which could have handled payments of this kind, which called for certain provisions of supervision under the dominion act covering this and similar payments. Through the fact that no legislative authority exists, it is at the present time impossible to set up that supervisory organization. And I think perhaps it is well that we do realize that this is one of the reasons why in Newfoundland there is some objection to the procedure. While that is not a responsibility of ours within this House of Commons, it does explain one of the grounds of criticism of the procedure which has been followed.

Mr. St. Laurent: But I think the delay would have been even longer had there been resort to the establishment of responsible government. To make this thing work conveniently, it has to come into effect on April 1, or thereabouts, of the year. A delay of two or three months might have meant a delay of a year in bringing union with Newfoundland into workable operation.

The members of the delegation were quite disappointed they were not able to find some way whereby they could bring that into operation immediately. It would have been, I understand, within the legal power of the commission of government to do it, because they do enact statutes; but they felt it was a matter they were not prepared to undertake. At least that was what we were told at the time. Even if now there were enacted legislation providing for a Newfoundland system of pensions within the terms of our legislation, it might possibly be given effect to. But, as we were told, the commission of government would not contemplate assuming that responsibility.

Mr. Graydon: It seems to me that these two governments—or one government, and the representatives of the province about to come in—could surely have worked out some arrangement. Surely this obstacle which, as it has been explained by the Prime Minister, does not seem formidable, is not so great that the red tape could not have been cut in this instance. Surely the two governments could have got together to give the old age pensioners of Newfoundland their pensions on March 31. Many times, in this chamber and in others, red tape much more involved than this has been cut without any difficulty, to give relief where it was needed. I do not

know why in respect of old age pensioners we should find the obstacle so great that two legislative bodies, both supposed to have great powers, could not have managed somehow to give the old age pensioners of Newfoundland their payments on March 31.

Mr. MacInnis: I should like to say one further word. While I have not the legal training of those who have preceded me in the discussion, I think the main obstacle to the payment of the dominion's share of old age pensions as of April 1 is largely a matter of will. I have seen lawyers get around situations of that kind simply by adding the words, "Notwithstanding anything in this act". Once lawyers get at it with a will, there is always a way.

However, there may be some difficulty. I do not see that it would be unfair to any other province in Canada if, for the period from April 1 until the Newfoundland legislature reached a point where it could pass old age pensions legislation, we paid the dominion's share.

I was somewhat concerned with the remarks of the Prime Minister which, if I understood them correctly, indicated that the government had shifted its position from that laid down in the green book proposals of August 1945. The federal government at that time made the proposal to the governments of the provinces that it was prepared to assume pensions for all persons over seventy years of age without a means test at $30 a month, and for those between 65 and 69 on a fifty-fifty basis with the provinces at $30 a month, with a means test. Does that offer still stand, so far as the federal government is concerned, or is there some new offer now based upon contributory old age pensions? If that is so, there will have to be a tremendous amount of work done before a contributory basis can be worked out. Indeed, if we are going to work out a contributory basis for old age pensions we will have to go much further than that and work out a contributory basis for an integrated over-all scheme of social security. Has the government given up the idea of old age pensions as set out in the green book of 1945?

Mr. St. Laurent: The government has not given up the idea of the proposal made in the green book of 1945. But there never was any proposal in the green book of 1945 for the payment of old age pensions to all, without means test and without contributions. That does not mean that no one would get a pension until he had contributed enough to provide the capital out of which it would be paid. Because it was shown that, if contributions were established, the amount of contributions being received would suffice to take care of the amount of pensions being currently paid. And, provided the scheme went on forever, no one would be prejudiced. Those who would receive old age pensions at the age of seventy without having made any contribution at all, or having made only one or two contributions, would get something more as the net benefit than those who would have contributed from the age of sixty to the age of seventy, for example, to be entitled to their old age pension. The calculations show that the contributions being received yearly would take care of the expenditures being made yearly.

Mr. Knowles: Will there be any delay in the payment of family allowances in Newfoundland?

Mr. St. Laurent: Every effort has been made for the pre-registration of all children in Newfoundland, and family allowances will be paid to those who have been registered at the time union becomes effective. If there are any who do not receive them immediately union becomes effective it will be because their children were not registered in the pre-union period.

The hon. member will realize that at this time we have no right to require anyone to register. We are making the facilities for registration available, but as Newfoundland is not a part of Canada we cannot make any regulations applicable to Newfoundland. We merely make the facilities available and say: If you wish to register, these are the forms to use, and if you are registered when union comes into effect you will immediately receive the family allowances; if you are not registered you will receive them after you do register and from the effective date of union. They cannot be paid until the registration has been received and duly checked.

Mr. Knowles: It is possible that those who registered in advance may receive their family allowance cheques in April?

Mr. St. Laurent: Yes.

Mr. Knowles: Those who are late in registering may not get their cheques until May, but I understand they will be retroactive to April 1?

Mr. St. Laurent: They will be retroactive if the registration shows that there was entitlement as of April 1.

Mr. Knowles: It is too bad that we could not find the will to do the same for the old age pensioners.

Mr. St. Laurent: It is too bad, but family allowances are administered by the federal government and old age pensions are not. The province of Newfoundland will have to set up its machinery, As soon as that is done

it can enter into a contract and will be entitled to reimbursement of three-quarters of its expenditure from the date of the contract.

Mr. Claxton: With regard to the incidence of certain health insurance taxation, the leader of the opposition made an assertion which I think I should answer. He suggested that it was part of the federal government's plan, as proposed at the 1945 conference, that there should be a poll tax of $12 to meet the cost of health insurance. The government's plan with regard to health insurance was explained fully in the green book proposals and was amplified right through the conference.

There was never any suggestion of a poll tax of $12 or $10 or any other figure. What was indicated as one of the conditions for the introduction of health insurance was that there should be a registration fee, but the way in which the provinces met their share of the cost of health insurance was left to the provinces to be worked out. There was never at any stage of the proceedings, either in public or in private, any suggestion of a poll tax of $10 or $12.

Mr. Drew: Mr. Chairman, I find it difficult to understand the extraordinarily faulty memory of the minister who has just spoken. If he will examine the *Hansard* record of the proceedings which took place in May—

Mr. Claxton: I have just done so.

Mr. Drew: —1946, he will find that it was discussed then as it was on other occasions. I am pleased to have the opportunity to make clear exactly the kind of misunderstanding that has been created about the nature of the proposals that were put forward by the dominion government. Certainly it was called a registration fee, but the fact that the dominion government happened to call it a registration fee did not make it any less a poll tax. That registration fee was to be paid by every man, woman and child for the purpose of meeting these payments. As the minister who has just spoken will remember, I checked him up on the same inaccuracies at the conference and—

Mr. Claxton: I replied in the same sense that I have tonight.

Mr. Drew: —it was pointed out that he was just as inaccurate then as he has been now.

Mr. Claxton: The record does not bear that out for a second.

Mr. Drew: I think hon. members should know that there were amusing as well as other aspects to this discussion and there was one particularly amusing aspect. One of the things that I noticed while I was premier of Ontario was the number of statements in regard to the dominion-provincial conference and similar matters with which the provinces were concerned that appeared in the press under words such as "A well informed government source says". Then the statement would go on with no name attached.

The conference was sitting here in Ottawa, and on the previous day, speaking on behalf of Ontario, I had pointed out that while we were discussing this it would be well if we examined exactly what the whole picture was. I pointed out that this registration fee was a poll tax; call it any other name, it was a poll tax. I pointed out also that the minister who has just spoken, and who was then Minister of National Health and Welfare had written to the minister of health in Alberta explaining that this special income tax over and above all other income taxes would be five per cent.

We got the $12 poll tax in the case of Ontario from the meetings of the dominion-provincial economic committee which had been studying the figures and which had found the original dominion figures to be hopelessly inaccurate. That committee had brought forward the exact figures to which the dominion as well as the provincial officials agreed, and those were the figures we had before us.

Then the minister who has just spoken, following the practice to which I have just referred, gave a statement to the press. That statement was not intended to refer to his own name. It was intended to be like all other statements that went out—I am not quoting the exact words—to the effect that a high government source had said that there was absolutely nothing in the suggestion of a poll tax or special income tax.

Unfortunately the reporter of the Toronto *Daily Star*, who had very close access to the minister in question, did not realize that that reservation should have been imposed and he gave the minister full publicity. The report in the Toronto *Daily Star* said that Mr. Claxton had said that there was nothing in this. As the record will show, I pointed out to Mr. Claxton—I am using the name that appears in the record—exactly what the facts were. There was an ensuing discussion and the facts were just as I have stated.

The five per cent was based upon his letter to the minister of health in Alberta, and the $12 poll tax in the case of Ontario was the result of an accurate computation, and the officials of the dominion government and the Ontario government both agreed to that computation as being the correct figure. The $12 poll tax was to be paid and, in addition, a five per cent special income tax over and above all other payments.

All I am saying is that, when we are told about the proposals that were made, we should remember that along with them went these contributions; and when you say, "let us have these payments", let us also be quite sure that the people of Canada want to make them, because they are part and parcel of the same proposal. Since this matter has come up, and the difficulties of dealing with it at a conference have been mentioned, may I repeat that there is absolutely no place where the responsibility lies for the conference not meeting again except at the doorstep of the dominion government which has refused to call it.

Mr. Claxton: Mr. Chairman, there is one statement of the hon. leader of the opposition with which I can agree, and I think only one. That is that these things have to be paid for. That is the fact. They have to be paid for out of taxes—

An hon. Member: Why?

Mr. Claxton: —or out of levies on the Canadian people in one way or another. With that one point of agreement, I leave the hon. gentleman to his remarks. I remember the incident.

Mr. Drew: That was the occasion when I referred to it as a babbling brook of inaccuracy.

Mr. Claxton: I remember the occasion. I remember the hon. leader of the opposition had made a fine speech at the beginning. He referred to well-informed government sources as having been the source of this story. There were no well-informed government sources from which his story was produced.

Mr. Drew: That was quite right.

Mr. Claxton: Because everyone who knew anything about the subject knew what the government's proposals were. They were contained in the green book, and we had been working over that with the provinces from the beginning of August 1945 until the first week of May 1946. All through that period I do not think there were many people concerned with this business who did not know what the proposals were. Then the present leader of the opposition made the statement about the $10 or $12 poll tax at the beginning of one of our meetings in the final week. I rose and denied it, and referred to the record. The record stands, and I deny the statement again. I also deny everything except the concluding remark that he made to which I have just referred, that social security payments of this kind must be met by somebody. It was understood right from the beginning that if we were to have health insurance it must be on a dominion-provincial basis, achieved through co-operation of the provinces, and met by contributions in part by the provinces, in part through the provinces by the individuals, and in part by the federal treasury. The amounts of those contributions were indicated in the green book proposals, and there was never at any moment any suggestion of a poll tax. That is an invention or appellation given by the leader of the opposition then and now. There was also every indication that, in the interest of the people concerned, and because of the way in which health insurance has worked all over the world, the people should contribute. Who in this house disagrees with the idea that the people should contribute to health insurance? Who in this house?

Mr. Ashby: I do.

Mr. Claxton: The hon. member for Edmonton East. That is one. Who else? The leader of the opposition has made a great parade of this business, but the fact is that his party in their social security proposals advanced the same idea as the Liberal party did in their social security proposals, and as the government did in their green book, but they did it about a year and half later.

Mr. Knowles: You started in 1919.

Mr. Claxton: Yes.

Mr. MacNicol: Thirty years ago.

Mr. Claxton: And the fact is we all know, except perhaps some hon. members from the far left corner of the house, that social security payments, whether they be for old age pensions or for health insurance, must be met by the people themselves. We are cheating the people unless we declare that, and unless we are willing to face the responsibilities of that kind of thing. With regard to the contretemps between the hon. leader of the opposition and myself, I think that if he locates the right page in the green book, for which he is now looking, and if he reads the whole passage, he will find that the point I have made tonight was made then, that it is completely in accord with the record, and that any other account is completely out of accord with it.

With regard to Newfoundland, which we are supposed to be discussing tonight, and which I regard as a matter of supreme importance to the people of Canada and of Newfoundland, it is obvious from the remarks of the Prime Minister that if we introduced any plan by which old age pensions might be arrived at before there was a provincial government to make an arrangement, it

would be quite different from the old age pensions plan that was put on the statute books of Canada in 1927, and which has since been worked out by agreement with the provinces. It would require something quite different. Were we to make that different kind of arrangement, I believe there would be more people complaining about it than there are complaining about failure tonight, because we hope that after all Newfoundland will be the tenth province.

There are nine provinces which have made provision for old age pensions, and the plan is that the provinces shall administer them. The plan is that the provinces shall make agreements with the dominion. When there was no province it would surely have been quite wrong for us to have made an agreement with a commission of government, or any other agency which would have provided for those payments. Our hope is, however, that a province will be set up. That is why we are meeting here, and why we are discussing this matter. Our hope is that just as soon as that province is set up they will make an old age pension agreement along the lines of the agreements made by the nine other provinces of Canada. As we discussed this with the representatives of Newfoundland it seemed to us to be evident to them, as well as to us, that this was the only fair and right way to do it in accord with the will of parliament as expressed in 1927.

I feel that the union of Canada with Newfoundland is a matter of supreme importance. I believe everyone in this house does; but I must say that as this discussion has proceeded it has become clear that, while every group in this house is keenly in favour of that union, somehow they would like to see it worked out to their own advantage, and they are making one suggestion or another. Our feeling is that the agreement made with the representatives of Newfoundland can be supported on the basis of what is good for Canada and what their needs are in Newfoundland, and that it is an agreement which would commend itself as containing fair and equitable terms as the basis of union.

Mr. Drew: Since the incoming province of Newfoundland undoubtedly will be interested in the whole relationship of the provinces to the dominion government, and since it is very likely that they will join with the other provinces in the hope that they may have opportunities of meeting the dominion government in general conferences, I think it might be well to place on record now what was actually said at the conference on the occasion to which I referred, so the people of Newfoundland as well as others may know the way in which statements emanate from this government from time to time. This very subject of the poll tax was discussed over and over again. It was discussed in the meetings of the economic committee and in the meetings of the co-ordinating committee, and I brought up the matter on April 30, 1946. Just for the purpose of letting the people of Newfoundland know that they should find out who make these statements, and that it would be well to make sure they are in fact official government statements, I should like to read this into the record. I rose on the morning of April 30, 1946, and said:

Mr. Chairman, before we proceed I think the correct practice would be for me to rise to a question of privilege on a matter that does affect this conference. I find that in this morning's press, as well as in the press of late yesterday afternoon, direct issue is taken with a statement that I made to the conference yesterday—

You see, it was mentioned the day before, as well as on a great many other occasions.

—and I would add that that direct issue is taken in a statement made outside this conference. That statement is carried generally in the press throughout Canada. It starts on the front page of the Ottawa *Citizen* of this morning and I would like to read briefly from it because it has a very direct bearing on the public understanding of what is taking place at this conference. I quote from today's Ottawa *Citizen:*

"A source close to federal social security plans said the dominion has always planned to impose a tax to cover some of the cost of health insurance, pensions to the aged and other welfare measures, but so far it has not been possible to work out a definite tax rate.

The source was commenting on a statement by Premier George Drew of Ontario to the dominion-provincial conference. Mr. Drew said the dominion had suggested to the provinces a plan under which health measures and old age pensions would be financed by an additional tax of from three to five per cent on all incomes and a poll tax of perhaps $10 to be paid by all persons sixteen years and over."

I might interpolate here that in the later figures it was worked out at $12.

"No poll tax was ever proposed by the federal authorities, said the source, and no definite rate of taxation was set because the rate would depend on how much of the social security program was brought into force."

If the "source" alone were the person to whom I feel called upon to pay attention, even this would be very objectionable because it is the very sort of thing that led me to move the motion in the co-ordinating committee last Thursday that we should go into open conference. As you will recall, I said at that time that amongst the reasons why I thought we should go into open conference was to prevent this very sort of thing.

But the "source" is not left in doubt because here is the Toronto *Daily Star* of last night, with this headline: "Plan No Poll Tax—Claxton."—

Mr. Claxton: That is right.

Mr. Drew:

—and the Toronto *Daily Star* does not merely describe him as the source but mentions him by name.

Now whether the source be Mr. Claxton or any other bubbling spring of misinformation—

They have that wrong, because I said "babbling brook of misinformation."

Mr. Claxton: There is a good deal of misinformation about it.

Mr. Drew:

—I for one tell this conference that it will move very much closer to success if those who are attending it—

He was attending it.

—make their comments at the conference table and do not attempt to convey the impression outside that statements made here were incorrect.

The report goes on to give the discussion that took place. No remark I have made tonight in any way varies what took place at that time. The minister's memory is short, and perhaps that can be forgiven because of course he has been in another department since then, where health is not the main concern. He seems to forget that at the time we were discussing this the dominion government had put forward very substantial amendments and that when we met in April the then Prime Minister of Canada put forward a whole series of new proposals which he said must be regarded as an integrated whole.

I am not now arguing the merit of one tax or another. I do say, however, that when the suggestion is made that the dominion government made proposals for contributions of one kind or another the public should bear in mind that the way they were proposing to take care of it was by an income tax over and above the existing heavy income taxes, on an even level on all people, without exemption, and by what the present Minister of National Defence chooses to call a registration fee but what any child knows is in fact a poll tax.

Mr. Ashby: Riding along here in the caboose it is almost impossible to accurately follow anything being said at the other end of the chamber, except the words uttered by the leader of the Progressive Conservative party. I do not know whether I correctly understood the minister when he spoke a short time ago, but I thought he asked whether anyone in this house believed social services could be rendered to the people by other than contributory means. If that was what he asked, let me say that I certainly know of other methods. If people are asked to contribute part of their earnings toward any social services whatever, it means they will have to go without something. In the case of workingmen it means they will have to go without a good roast of beef and eat bologna, for example. Let me give you an instance, Mr. Chairman.

Mr. Irvine: Of "baloney"?

Mr. Ashby: I will give you an example of pure, unadulterated "baloney". In *Industry*, the official organ of the Canadian manufacturers association, I find a statement made by a university-trained man, who was chairman of an educational committee, in an address to an association or society. These are his words:

The only place the government can get the money—

—to render social services—

—is by taxing the people.

I would like hon. members to keep those words in mind. I am going to make another statement so similar to that one that I am merely going to alter the words: The only place the Imperial Oil Company can obtain gasoline is by draining it out of the gas tanks of automobiles. I do not know how many of the hon. members of this house will believe the statement that I have just made. I will guarantee, however, that if that statement is repeated often enough beginning with little children, we can get university presidents, presidents of great manufacturing companies, many preachers and teachers to believe it, and then finally the people themselves. It is not true that the only source of money is from the pockets of the people, and it never has been true. Yet people actually believe that statement to be true. It is a general assumption, even right here in this house, that the only source of money is from the people. I have mentioned before that people do not make money. People may earn it, but they do not make it. If the Imperial Oil Company want gasoline, they go to the source for it. They are drilling now half a mile from our farm in the hope of striking the source of gasoline. If we want money for any purpose, it matters not what that purpose may be, it is our duty to go to the source for money, not to impoverish the people.

The Chairman: May I remind the hon. members at this time that discussion in committee should be directly relevant to the clause under discussion. If hon. members will refer to standing order 58 (2), they will find it:

Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

Mr. Green: May I suggest to the Prime Minister that there seems to be one way in which the Canadian parliament could deal properly with this question of old age pensions to be paid in Newfoundland. Why could

not an amendment be made to the Old Age Pensions Act under this Bill No. 12, which we have been handed today, to the effect that if the new legislature of Newfoundland passes an old age pensions act at its first session, and provides that payment shall be retroactive to March 31 of this year, then Canada will pay three-quarters of that pension disbursement from the same date. I would point out to the Prime Minister that in Bill No. 12 there are amendments of a type similar to many of the Canadian statutes. I do not see why we could not make an amendment of that type to the Old Age Pensions Act. As a matter of fact, Bill No. 12 already contains one amendment to the Old Age Pensions Act.

The Prime Minister has said that both the Canadian delegates and the delegates from Newfoundland were anxious to do anything that could be done in order that the applicants for old age pensions in Newfoundland could be paid from March 31. That being the intent, and I think it is the will of every member of this house tonight, I suggest that such an amendment should be placed in the new Bill No. 12.

The Minister of Finance compares the situation in Newfoundland with that in the other provinces. But there really is no comparison at all. When the Old Age Pensions Act was passed by the dominion, each of the provincial governments was in existence. It was well known what the legislation was to be, and those governments had the choice of either accepting the legislation or not acting under it. Here the trouble is that Newfoundland has not a government. That is the only reason why the people there cannot get this pension as from March 31. I suggest therefore that the situations are not at all parallel. I would ask the Prime Minister why it is not possible to bring in an amendment to the Old Age Pensions Act under this Bill No. 12, providing that, when the pension is authorized in Newfoundland, Canada will pay three-quarters of it as from March 31, 1949.

Mr. St. Laurent: It is not impossible. It has been considered that it would not be fair to the Canadians of the other provinces, but there is nothing impossible about it. It could be done if it were considered to be the fair thing to do. But the matter was examined, and it was felt that it would not be fair to the other Canadians to make special provisions granting to the new Canadians who would come in from Newfoundland a privilege that had not been granted to anybody else.

Mr. Green: The Prime Minister has taken the stand this session, I believe, and in other sessions, that the members who come here from the various provinces of Canada speak for the people of those provinces, and that it is not necessary to have an expression of opinion from the various provincial governments. Here is an instance where that belief which he holds could be put to practical advantage. There are here tonight members from every province of Canada, and not one of them has risen to object to making these old age pensions retroactive or to providing that Canada pay her share from March 31. There is not one member here who has objected to that, and I venture to say that every single member in the house right now would be favourable to action of that kind being taken. Surely on this point we can speak for the people of Canada.

Mr. Grant: Speak for yourself.

Mr. Green: I would hate to be obliged to speak for the hon. member. Surely we can say that our people, the people of the nine provinces of Canada, will be quite agreeable to having the old people of Newfoundland get their pensions as from March 31.

Mr. Bertrand (Prescott): Provided the province pays its share.

Mr. Claxton: If the hon. member's suggestion were to be carried out, would we not be in this position, that any applicant who applied to the old age pension administration of a province for an old age pension would then feel that he or she had not been justly treated if the application was not received and the payment was not granted right back to the date on which the person attained the age of seventy? Are we not in that position, not only with regard to our contractual arrangements with the provinces but with regard to the individuals in every part of Canada? Having had something to do with this administration for some time, I really think that is the position. A person qualifies for old age pension not merely by reason of attaining the age of seventy, but by reason of having attained the age of seventy, of having qualified under the provisions existing, of having made an application, of having the province make an inspection and then making an award which subsequently results in the federal government making its contribution of 75 per cent.

I suggest to the hon. member that any other arrangements would be breaking faith with the other provinces, because, as you know, some of them took a number of years to come into the arrangement. It would be very difficult, once that were done, to provide for the administration under the existing arrangements with the provinces which administer the plans.

Since two hon. members have intervened I must reply to the leader of the opposition. I do not want to start reading the record again but I wish to ask him once and for all where, in all the record of dominion-provincial proceedings, from beginning to end in this green book, or in any other record, he can find any support whatever for his assertion that there would be a poll tax of $10 or $12.

Mr. Drew: This is exactly a sample of the problem that the provinces faced when they were trying to deal with some of the ministers of the government at the time the conference still met before it was stopped by the dominion government. The minister knows perfectly well that there was a co-ordinating committee, that there was an economic committee, that they prepared accurate computations and that these computations were a matter of record; and he had this record in front of him when this was under discussion. These records were prepared and they showed that at that time the figure in the case of Ontario would be $12 for every man, woman and child in the province. The way in which it would work out was this. An estimate was made of the amount which it would be necessary for each province to raise under the plans put forward by the dominion government. Then in relation to that amount the economic experts worked out how much it would be necessary to raise in each province by this so-called registration fee, but which I described then, as on all earlier occasions that we discussed it, as a poll tax. For that was and is the correct expression.

This goes back to a letter written by the minister to Dr. Somerville, the deputy minister of the department of health in Edmonton. In his letter to Dr. Somerville the minister said:—

Mr. Claxton: What page?

Mr. Drew: I am reading from page 433 of the record of the proceedings of the conference.

> The proposals of the federal government provide for compulsory registration and a registration fee but deliberately left open the question of the appropriate amount of the fee.

Mr. Claxton: That is right. That is what I said.

Mr. Drew: Certainly. They deliberately left open the appropriate amount of the fee. It was a poll tax and is a poll tax. The financial experts worked it out. In the case of Ontario that figure was $12. That figure was before the minister and all those attending the conference.

[Mr. Claxton.]

Mr. Claxton: Mr. Chairman, I must be allowed just one word in reply. The leader of the opposition has referred to the economic committee. It happens that I was chairman of that committee.

Mr. Drew: Exactly.

Mr. Claxton: I can assure him, and I think that the hundreds of officials who took part in the very constructive work of that committee will bear me out, that there was no suggestion of a poll tax, there was no suggestion of a $10 fee or a $12 fee from beginning to end. What the leader of the opposition is talking about is the possible contribution that would be made by the provincial governments toward health insurance. How much of that would be paid out of the provincial treasury and how much would be paid by the individual was never decided because we never got far enough along to do that owing to the failure of the conference.

Mr. Graydon: You adjourned it.

Mr. Claxton: We adjourned it, yes, because it had been broken down by actions taken by the representatives of the other provinces. That is the fact. In the economic committee no figure was agreed on; no figure was worked out; but it was generally understood from the dominion proposals that 60 per cent would be paid by the federal government and 40 per cent would be met out of provincial sources. Some part of the amount to be met out of the provincial sources would be met by a registration fee—what part was never decided upon because we never got that far. To call an insurance plan, an ordinary person's contribution to meet a premium for health, a poll tax is a way of endeavouring to condemn the thing right from the start.

Mr. Drew: Mr. Chairman,—

Some hon. Members: Oh, oh.

Mr. Drew: The more you do of that the better. Mr. Chairman, now that I am in this chamber I do not intend to permit the continued misrepresentation of what took place at the conference. When the suggestion is made that this was not discussed, let me read from the record of the proceedings the statement that was made at the conference, with the minister who has just taken his seat sitting at the table; and the fact that this discussion took place in accordance with my statement was not questioned because it could not be questioned. He knows it now as he knew it then. This is what the record says. Fortunately there is a record, because if there were no record these misrepresentations could go on indefinitely. You have been told that this was not discussed earlier.

Mr. Grant: Read what it says about a poll tax.

Mr. Drew: I am quite prepared to wait.

Mr. Grant: Read what it says about a poll tax.

Mr. Claxton: I rise to a question of privilege. I never said that the question of a contribution was not discussed, because it was implicit and it was stated right from the start. The question of a poll tax was never discussed.

Mr. Grant: Read about the poll tax.

Mr. Drew: This is what I said in the presence of the minister on the occasion we are discussing.

But the fact is that $12 is the figure that was discussed—

Remember that this was at the April-May meeting. I continue:

But the fact is that $12 is the figure that was discussed at the January meeting and at the November meeting in the case of Ontario because it was pointed out then by the government of Ontario that the dominion's proposals would impose upon Ontario an added expense of $50 million outside of what the dominion was going to pay for these new health and social insurance proposals. If the poll tax was to take care of that—and that was suggested on page 32 of the dominion government's proposals as something to be incorporated in the agreement—in the case of Ontario the poll tax would have to be $12.

That was the statement then. It was not challenged, and it cannot be challenged now.

Mr. Claxton: Mr. Chairman, I must say that at page 435 of the proceedings it was challenged then and it is challenged now. What the leader of the opposition did was to divide the province's share of a contribution that would be needed to pay for health insurance, in the case of Ontario, by the population of Ontario and say that the individuals of Ontario had to pay it and it was a poll tax.

Mr. Drew: Certainly it was.

Mr. Claxton: Every other province figured that the provinces should make some contribution as well.

Mr. Drew: The same babbling brook of misinformation.

Mr. Knowles: Could we come down to date and discuss old age pensions and other matters in which the people of Newfoundland and the people of Canada are interested now. Following the discussion that has taken place, there is just one question I should like to ask. I have asked questions of the government and I have not been satisfied with the answers. I now want to ask one question of the leader of the opposition. Does he not think that the people of Canada would welcome the opportunity to pay contributions, even up to the figures he has suggested, if in return for them we could have old age pensions at seventy without a means test, health insurance and over-all social security?

Mr. Drew: I am very glad to answer that. If the hon. member who has just spoken had been present at the conference, as the minister was, he would have known that we recommended old age pensions at sixty-five, without a means test, and that our present recommendation is $40 a month.

Mr. Claxton: And a reduction of taxation at the same time.

Mr. Knowles: Mr. Chairman, the leader of the opposition—

The Chairman: Order.

Mr. Reid: He is ducking that question.

Mr. Knowles: The leader of the opposition is no better than the ministers on the other side at answering questions. I did not ask what is in the Tory platform now, any more than I have taken time now to tell what is in the C.C.F. platform. I asked him this question: Does he not think that the people of Canada would welcome an opportunity to make contributions towards a proper over-all social security plan?

Mr. Drew: Mr. Chairman, I had not intended to deal with this on the political level put forward by the hon. member for Winnipeg North Centre.

Mr. Knowles: On a point of order—

Some hon. Members: Sit down.

Mr. Drew: But the hon. member probably misunderstood what was said. I was referring to the proposal of the Ontario government put before the conference that met in 1945. That was when we put the proposal forward in regard to old age pensions. This is not something new.

Mr. Knowles: Apparently I cannot expect an answer from the leader of the opposition. He is not prepared to stand in this house and say that he knows the people of Canada would welcome an opportunity to make such contributions, apparently because he played his part in scuttling that kind of a program in 1945.

Mr. Drew: I will deal with this now, because I regret to say that this is the first time this particular hon. member has used the technique of the socialist party of making unfounded charges of that kind.

Mr. Knowles: What unfounded charges, may I ask?

Some hon. Members: Sit down.

Mr. Knowles: On a point of privilege, the leader of the opposition has referred to my making unfounded charges. What is the unfounded charge?

Mr. Drew: That I was unwilling to indicate what our position was, when we put forward the proposal. Now, control yourselves for a moment and you will hear the answer.

An hon. Member: Stop the mudslinging and answer the question.

Some hon. Members: Order.

The Chairman: Order.

Mr. Drew: They are working together nicely.

An hon. Member: The same as Bloc Populaire.

Mr. Abbott: Give us your answer, after plenty of time to think it over.

Mr. Drew: Yes, and I have something to say to you.

The proposals put forward at the conference have been supplemented since then by various further suggestions which were under consideration at the conference. The proposal was for contributory old age pensions. I have indicated quite clearly that I believe that the people of this country are willing and anxious to contribute to satisfactory social security plans. And I am satisfied the people of this country do not want to pay a poll tax, because that form of tax has always been regarded as a very unsatisfactory form of tax in this country.

Mr. Harris (Danforth): On a point of order, I submit that this entire discussion is out of order. The opposition is not charged with the responsibility of government. Hon. members of the socialist party should address their questions through you, Mr. Chairman, as you are charged with the responsibility of control of the house. In like manner, all hon. members should address their questions through you.

The Chairman: I must thank the hon. member for Danforth for his remarks, and I would ask all hon. members to address the Chair in future.

Mr. Nicholson: Mr. Chairman, may I address my remarks to section 40 of the schedule. Perhaps the Minister of Trade and Commerce would answer, as the Minister of Reconstruction and Supply is not in his seat. This afternoon the large amount of $20 million was mentioned, including quite a number of services. Would the Minister of Trade and Commerce give some information regarding the discussion which took place in connection with housing?

I find that at page 108 of the report of June 25 to September 29, 1947, there is mention of the St. John's housing corporation, which was set up under the Newfoundland commission of government four or five years ago. This statement is made:

> As a result of historical conditions, St. John's is about 70 per cent substandard houses and the problem is beyond the means of the city to finance. Since the corporation began its work it has spent some three or four millions of Newfoundland money. The corporation has acquired 800 acres of land, has constructed a tunnel to the seashore for the purpose of disposal of sewage, laid sewers and water and sewer mains, set up its own factory for sewer pipe and block, and by the end of the present building season will have constructed 350 dwellings. It will be in a solvent position when these are all sold or let.

I understand now that Newfoundland will not be eligible for this type of financial assistance after confederation. I note on the next page, however, the following:

> The foregoing describes the situation which exists under present legislation.

There was some discussion of legislation which does exist in Canada in respect of housing. Then it states:

> This legislation is subject to adjustment from time to time to meet changing conditions and the government is always prepared to take into consideration any particular circumstances which might warrant adjustment in the legislation.

I wonder if the Minister of Trade and Commerce could report on the discussion which took place with the delegates from Newfoundland, and what machinery will now exist to make it possible to continue the practice in Newfoundland that was undertaken by the St. John's housing corporation?

Mr. Howe: It was understood that the facilities of Central Mortgage and Housing Corporation would be available in Newfoundland, just as they are available in other parts of Canada. The building project in question differs from any plan we have in Canada in that the houses are built to be sold. The expenses in developing the land were considerably more than anticipated. The fund is not in good shape at the present time, and the work is being retarded. Mr. Mansur, president of the corporation, visited Newfoundland some three weeks ago and had a discussion with those responsible for the fund. I visited Newfoundland last week end, and I was told that the discussions were very satisfactory. As it was not my responsibility at the present time, I did not go into detail in the matter; but I know it will be the purpose of the corporation to see that houses

are built in St. John's, just as it is the duty of the corporation to see that houses are built in other parts of Canada. What arrangements will be made I cannot say, but I feel sure that some plan will be worked out so that houses can be built in Newfoundland as they are in other parts of Canada.

Mr. Nicholson: Can the minister indicate what share of the $20 million which he mentioned this afternoon will be allocated to this item?

Mr. Abbott: The operations of Central Mortgage and Housing Corporation, so far as the construction of housing is concerned, are made possible by loans made to the corporation. I cannot say at the moment whether any amount has been specially earmarked for Newfoundland in their requests this year which are now under consideration.

Section agreed to.

Sections 41 to 45 inclusive agreed to.

On section 46—*Oleomargarine.*

Mr. Drew: Mr. Chairman, when we were discussing the motion I suggested to the Prime Minister that consideration should be given to the possible effect of the provisions of section 46. In his reply the Prime Minister stated that the difficulty I suggested in regard to this clause was perhaps not quite consistent with the situation and gave, as evidence of the fact that there could be barriers against interprovincial trade, the restrictions that are placed upon the movement between provinces of liquor under certain conditions.

I repeat my suggestion in regard to this section in the very real belief that there is inherent in this section a dangerous constitutional difficulty. What I have to say has nothing whatever to do with the desirability or otherwise of permitting the manufacture and sale of margarine; it has to do with the constitutional question as to whether or not it is competent under the British North America Act for the dominion government to impose any restriction, by agreement or otherwise, on international trade. My reference to that difficulty relates to section 121 of the British North America Act which reads:

> All articles of the growth, produce, or manufacture of any one of the provinces shall, from and after the union, be admitted free into each of the other provinces.

That provision in the British North America Act was regarded as one of the important provisions which would bring to an end any restraint upon the movement between provinces of the ordinary products or goods which were traded in in different parts of the country.

The Prime Minister in referring to the restriction upon the movement of liquor is referring to the provision in the Canada Temperance Act, but I would point out that there is a very definite distinction between restraint on the movement of liquor between provinces and on the movement of ordinary commodities and products. That distinction was clearly drawn in a case having to do with the Natural Products Marketing Act of 1934 and the amending act of 1935. At page 420 of the Supreme Court Reports, 1936, in the judgment of the then Chief Justice of Canada a clear distinction is drawn between the restraint placed upon the movement of liquor between provinces and of other, ordinary, articles of trade.

The chief justice pointed out that the Canada Temperance Act imposed those restrictions in order that assistance might be given to the penal provisions of the provinces which had placed some prohibition on the use of alcoholic beverages within their own areas. The basis of that restraint is not the basis which could be used for the purpose of passing legislation to restrain other kinds of trade. I think the words of the judgment clearly indicate the difference and show that the suggestion put forward by the minister is not a correct parallel. I quote from the judgment at page 420 as follows:

> The application of the principle implicit in this passage must always be a delicate and difficult task. That is shown by reference to the history of the Canada Temperance Act. The prohibitory clauses of the legislation undoubtedly do affect civil rights directly but, in Russell v. The Queen (1), the board took the view that the real subject matter of the legislation was not property and civil rights, but matter connected with public order and having a close relation to the criminal law. It was likened to "laws which place restrictions on the sale or custody of poisonous drugs, or of dangerously explosive substances . . . on the ground that the free sale or use of them is dangerous to public safety, and making it a criminal offence . . . to violate these restrictions . . ." It was described as "legislation . . . relating to public order and safety," and belonging to the class of "Laws . . . for the promotion of public order, safety, or morals, and which subject those who contravene them to criminal procedure and punishment . . ."

In the words of the judgment in that case, a distinction is drawn between the subject matter of the restrictive provisions in the Canada Temperance Act and such a substance as margarine. While many people object most strongly to the manufacture and sale of margarine, I do not think anyone will suggest that it comes within such a definition as that put forward by the chief justice as being an explosive or dangerous article. It was because of those inherent qualities in

alcoholic beverages that the dominion government felt it was entitled to place certain restrictions on their movement between provinces where the provinces had themselves prohibited the use of alcoholic beverages in their own areas. Because the penalties imposed were something in the nature of penal provisions, they came under the broad reference in the British North America Act to peace, order and good government and have been sustained by the privy council on that basis.

I shall not labour the point beyond suggesting again to the Prime Minister that these restrictions dealing with a commodity such as margarine do not bear any direct relationship to the subject of the judgment to which I have referred, and to the material considered in that judgment, and that it is not competent for the dominion government to place such a restriction upon the use of margarine under the broad provisions of peace, order, and good government. If that is so, then such a provision would contravene section 121 of the British North America Act, and difficulties might arise in connection with this provision. It might be suggested that in subsection 2 of section 46 of the agreement there is a loophole which might make this restriction unimportant in any event, but I should like to point out to the Prime Minister that the situation in which we now find ourselves is that this restriction has become effective. Section 46, subsection 2, of the agreement reads:

> Unless the parliament of Canada otherwise provides or unless the sale and manufacture in, and the interprovincial movement between, all provinces of Canada other than Newfoundland, of oleomargarine and margarine, is lawful under the laws of Canada, oleomargarine or margarine shall not be sent, shipped, brought, or carried from the province of Newfoundland into any other province of Canada.

Unless the Prime Minister contends that this restraint can be put in legislative form under the broad provision of peace, order and good government, then I would submit that the parliament of Canada cannot otherwise provide in view of the recent judgment of the Supreme Court of Canada in the stated case which was placed before them.

As to the second provision, that the restraint would operate unless "the sale and manufacture in, and the interprovincial movement between all provinces of Canada other than Newfoundland, of oleomargarine" is permitted, that alternative has already been swept aside by virtue of the fact that one province has already taken steps to prevent the use of margarine therein. I refer to the province of Prince Edward Island. Consequently, as to this reference to all provinces, that loophole is not open, and we come back to the point that this restriction is effective.

If the dominion government have the right to permit the manufacture of oleomargarine, they also have the right to deny the manufacture of it. That seems an obvious proposition. If they have the right either to permit or to deny the manufacture, and also the right to place a prohibition upon the movement of the product, out of a province, then they must be asserting a right on some other ground than that which was put before the Supreme Court of Canada at the time this argument was being heard. The Supreme Court of Canada has found in its judgment on the stated case that it is not competent for the parliament of Canada to place a restriction on the manufacture and sale of margarine. If that is so, then I do not know how the dominion government is exercising that authority now, by agreement or otherwise, because the agreement becomes part of an act of this legislative body, and ultimately, if approved, of the parliament of Canada. It seems to me that in this matter the government is on the horns of a dilemma. If they are going to assert the right to permit the manufacture and restrain the movement, then they are asserting a right to deal with this subject. If they have the right to deal with this subject, then it is no use saying to the provinces that they no longer have the right to deal with it. They should exercise that right if in fact they feel that the law which was in force should have been continued in force. If they now assert that they have the right to deal with this under the provision of peace, order and good government, then that right should have been asserted at the time this argument was being dealt with by the Supreme Court of Canada.

I repeat that the question under consideration is not the desirability or otherwise of permitting the manufacture and sale of oleomargarine. It is a question of whether or not any step is to be taken which challenges the provision, in section 121 of our constitution, that all articles of the growth, produce, or manufacture of any one of the provinces shall, from and after the union, be admitted free into each of the other provinces. In a particular case some variation or evasion of the constitution may seem desirable; but where any attempt is made to disregard the provisions of the constitution, then I think we should remember that, no matter how desirable it may seem to the government in a particular case, they are establishing a precedent for similar action in regard to any other commodity or product at some other time.

As I said in my earlier remarks, this is not a case where we can move to delete a passage; it is not a case where we can move to amend. It is an agreement which we must

accept as a whole in view of the fact that it is to be approved by another government as a basis of union. I again urge the Prime Minister to consider the effect of this provision from a constitutional point of view, and, if he feels there is any reason for concern about the restraint imposed by this provision, to take up with the government of Newfoundland an appropriate amendment which would meet the approval of both governments.

Mr. St. Laurent: With some of the premises mentioned by the hon. leader of the opposition I am in full agreement, but of course I do not agree with the conclusion that he draws. First of all I should like to call the attention of hon. members to the language of section 121. This section was drawn up by a gentleman who knew the rules of English grammar. It does not say that all articles of the growth, produce, or manufacture of any one of the provinces shall, from and after the union, be admitted "freely" into each of the other provinces. It says they shall be admitted "free" into each of the other provinces. That section has already been under consideration by the courts, and the courts have held that it meant that these articles of the growth, produce or manufacture of any one of the provinces shall, from and after the union, be admitted free of customs duties into any other province.

The other premise cited by the hon. leader of the opposition is a paraphrase by the then chief justice of the Supreme Court of Canada of language used in the decision in the case of Russell and the Queen. The hon. leader of the opposition probably remembers the late Lord Haldane, who perhaps argued more of the constitutional cases before the privy council than any other man of our generation, and who afterwards became Lord Chancellor and sat on a great many of the constitutional cases. He stated with reference to Russell and the Queen that it was a tacit convention among lawyers who appeared before the privy council that they did not refer to Russell and the Queen, although in one instance, having had to refer to it, he said that the only ground upon which the decision of the privy council in Russell and the Queen could be justified was on the assumption that must have been made by their lordships in the privy council at that time, that the evil of drunkenness was so prevalent in Canada when the legislation was passed that it could be regarded as war or pestilence.

No doubt there is a substantial difference between oleomargarine and the explosive qualities of intoxicants; but in the cases where the jurisdiction of the provinces to deal with the control of intoxicants was established, the jurisdiction was placed within the provinces to deal with everything that was local and private within their territory, everything that applied to the maintenance of peace, order and good government within their territory. I may say to the leader of the opposition that all possible arguments to support the jurisdiction of the federal parliament with respect to oleomargarine were urged and were dismissed by a majority of the judges of the supreme court; and the decision there was that it was an undue interference with property and civil rights, in a matter which was local and private within the province, for the federal parliament to attempt to prohibit the manufacture and sale of oleomargarine. So they did put it back in the same sphere, the same zone, that justified the actions of the provincial legislatures in dealing with the liquor problem; something which related to order and good government privately and locally within the confines of the province. The parliament of Canada, exercising—as was said by the chief justice—such jurisdiction as it may have in respect of the criminal law, imposed penalties against those who violated, by interprovincial operations, the prohibitions contained in provincial laws.

I think that without violating any other principle the same could be done if the provinces prohibited the manufacture and sale within their confines of oleomargarine, because since those decisions there has been the decision—I think it was in the pharmaceutical case, by the privy council—that criminal law did not involve any ethical or moral concept, and wherever the legislator, rightly or wrongly, felt that the public interest required a thing to be forbidden under penalties, he was the one to judge whether or not that was criminal. Some of us were surprised that the judgment went that far, but that was the ground upon which one of these constitutional cases was decided.

Here one might possibly have hesitated to make that kind of provision in anything but an agreement that was being subjected to both ratification by the parliament of Canada and confirmation by the parliament of the United Kingdom, and it will not come into force until it has received both ratification by this parliament and confirmation by the parliament of the United Kingdom. When it has received that, it will have force of law to the same extent and to as great solidity as the British North America Act itself, even though it might, as it does, in the procedure depart from what would otherwise be in the British North America Act. It will not come into operation until both this parliament and the parliament of the United Kingdom will have

given it force of law; and even if it did imply that something was being done which could not normally be done under the British North America Act, that would not enlarge the British North America Act and would not serve as a precedent for doing it in any other manner than by going back again to the parliament of the United Kingdom. I am not conceding that it is beyond the purview of the British North America Act, but I am saying that, even if it was, by virtue of the confirmation of the terms by the parliament of the United Kingdom it would get the same legislative authority the British North America Act itself has. If the British North America Act does not allow a thing like this to be done normally, the fact that it was in the agreement with Newfoundland would not enlarge, for other cases, the terms of the British North America Act.

So I do not think we are in any way creating anything that is apt to be embarrassing in the future in any other respect than as an impediment to the trade in oleomargarine.

Section agreed to.

On section 47—*Income taxes.*

Mr. Jackman: I think we should call it eleven o'clock, because I hardly believe we can finish tonight. Is it the intention to try to finish the bill this evening?

Mr. St. Laurent: If it were convenient it would suit the requirements of another place, where they proceed more expeditiously than we do and where they are awaiting something from us in order to be able to continue their labours. If it could get through committee tonight it could be given third reading tomorrow and be available to the other place at the beginning of next week. However, I do not want to urge it too strongly. The clock is against me, and unless all hon. members felt that we should go on I would not like to ask that we do so.

Mr. Jackman: I should like to know the interpretation of clause (d), where it refers to earned income and investment income. In this paragraph is there any special treatment in regard to investment income?

Mr. Abbott: No. The purpose of this clause is to place the taxpayers of Newfoundland in exactly the same position the taxpayers of Canada were in when the pay-as-you-go plan was introduced in 1945, of course on the assumption that Newfoundland forgives its citizens the taxes for the first three months of this current year. Canada forgives them for the second three months, and the income tax commences July 1. There was no forgiveness, my hon. friend will recall, with respect to investment income of over $3,000.

[Mr. St. Laurent.]

Mr. Jackman: It does not mean that investment income accruing in the first six months of the year will be taxed any more than earned income will be taxed?

Mr. Abbott: My understanding is that investment income over $3,000 will be taxed for nine months of the year.

Mr. Jackman: And earned income for six months?

Mr. Abbott: Yes.

Mr. Jackman: With the permission of the committee I should like to ask a simple question in regard to section 41.

Mr. Abbott: That is, if it is not more than $2,250, as the section indicates.

Mr. Jackman: If it is more than $2,250, investment income will be taxed on the basis of twelve months or nine months?

Mr. Abbott: Nine months.

Mr. Jackman: In regard to section 41—

Mr. Knowles: On a point of order, Mr. Chairman, the hon. gentleman asks permission to go back to section 41, and another hon. member near me wants to go back to another section.

Mr. Abbott: We are on section 47.

Mr. Knowles: But the hon. member for Rosedale is asking permission to go back to section 41, and another hon. member is asking permission to go back to section 45. We might go on if we could finish in two or three minutes, but if it is going to take fifteen minutes or more I think we should call it eleven o'clock.

Mr. Jackman: Section 41 deals with payments to people in Newfoundland who may be unemployed, under the same conditions as unemployment insurance benefits. The actual payments will not be a charge on the unemployment insurance funds, I take it, because I am interested in the attempt to have actuarial solvency in connection with those funds.

Mr. Abbott: My hon. friend is quite correct. I explained this afternoon that we are including in the estimates a special item to take care of possible liability in that respect.

Mr. Jackman: When is it expected that the cost of servicing unemployment insurance will become an actual charge against the unemployment insurance fund directly, without any special recompense from the dominion?

Mr. Abbott: I am afraid I could not answer that question offhand.

Section agreed to.

Sections 48 to 50 inclusive agreed to.

Schedule agreed to.

Title agreed to.

The Deputy Chairman: Shall the bill carry?

Some hon. Members: On division.

The Deputy Chairman: Shall I report the bill?

Some hon. Members: On division.

Bill reported.

Mr. St. Laurent: Mr. Speaker, may I be allowed to table the statement of the information asked for by the hon. member for Rosetown-Biggar in respect of the declarations that have been made to us about tax concessions existing in Newfoundland; and may I have added to *Hansard*, so that it may be available to everyone, the table showing for the last nine years the income in Newfoundland that would be cancelled by virtue of union with Canada.

Some hon. Members: Agreed.

Mr. St. Laurent: The table is as follows:

Fiscal year	Revenue from import and export duties, excise duties and excise licences, less refunds and repayments	Profits surrendered by Board of Liquor Control plus war emergency levy	Inland revenue stamps	Total Revenue collected and paid into exchequer under all heads of departments
	$	$	$	$
1939-40	8,662,194	432,121	36,403	12,571,014
1940-41	11,177,337	556,475	37,220	16,196,432
1941-42	16,602,529	809,208	42,256	23,313,741
1942-43	14,297,044	758,021	39,313	19,539,949
1943-44	14,846,201	2,260,000	52,396	28,600,947
1944-45	17,758,527	2,265,000	59,521	33,342,191
1945-46	18,086,456	1,702,926	64,533	33,426,987
1946-47	20,021,554	2,000,000	75,164	37,246,790
1947-48	22,651,157	1,400,000	86,842	40,682,214

Source: Public Accounts of Newfoundland.

Revenue from import and export duties, excise duties and excise licences and from inland revenue stamps will not accrue to the province of Newfoundland after union. Profits from the Board of Liquor Control will continue to accrue to the province.

BUSINESS OF THE HOUSE

Mr. Blackmore: What is the business for tomorrow?

Mr. St. Laurent: The business for tomorrow would be third reading of the bill which has just been dealt with in committee; after that, the resolution, which is on the order paper for today, for an address to His Majesty to place before the parliament of the United Kingdom a confirming statute; then the resolution dealing with the Agricultural Products Act, which is No. 4 on the order paper today; then continuation of the debate on the measure for the continuation of certain orders and regulations during the national emergency arising out of the war, which is No. 6 on today's order paper.

Mr. Knowles: In that order?

Mr. St. Laurent: Not necessarily in that order as to the last two items I have mentioned.

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

HOUSE OF COMMONS

Friday, February 11, 1949

The house met at three o'clock.

HOUSING

CHRISTIE STREET HOSPITAL—ACQUISITION BY CITY OF TORONTO

Hon. Milton F. Gregg (Minister of Veterans Affairs): Yesterday the hon. member for Broadview (Mr. Church) asked a question with reference to Christie Street hospital at Toronto. As has been known, arrangements have been under way for some time under which all veteran patients are being transferred from Christie Street hospital to Sunnybrook. This transfer is now rapidly being completed. As the transfer permits, the Christie Street hospital will be turned over to the city of Toronto.

[*Later:*]

Mr. J. H. Harris (Danforth): Mr. Speaker, unfortunately the Minister of Veterans Affairs has just retired from the chamber. I had intended asking a question, but in view of his absence I ask that my question be accepted as notice. It has reference to the matter the minister mentioned a moment ago, namely the disposition of an asset at present vested in the Dominion of Canada, Christie Street hospital.

I am asking that in due course the minister, in this House of Commons rather than through the press or through some other body, give a full report with regard to the sale of Christie Street hospital. Perhaps he might go so far as to state the price, what the hospital is to be used for, when the terms of the contract will be made known and the transfer of the property made to the corporation of the city of Toronto. I repeat that information of this kind should emanate from this chamber rather than from the press or some other source.

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member knows the rule that he is not permitted to make a statement when asking a question, and that the question should be brief and to the point.

Mr. L. A. Mutch (Parliamentary Assistant to the Minister of Veterans Affairs): Mr. Speaker, I shall draw the hon. member's remarks to the attention of the minister. I am sure that within the next few days the minister will be able to give the information for which the hon. member has asked.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, as this transaction was handled by War Assets Corporation, for which I am responsible, perhaps I may answer the question now. The circumstances are that some time ago Chorley Park was sold to the city of Toronto, and payment of $100,000 was made to the crown. As the documents were being completed, circumstances compelled the Department of National Defence to ask that that sale be cancelled for the time being. This morning I had a conference with the mayor of Toronto, and we agreed that Christie Street hospital would be substituted for Chorley Park in the former transaction. The effect is that we have sold Christie Street hospital to the city of Toronto for $100,000. The sale includes certain beds and utensils which are not required for federal purposes. It is my understanding that the building will be used in part for a hospital and in part for a home for aged persons. Delivery will be made as quickly as final transfer of patients can be made by the Department of Veterans Affairs.

Mr. Harris (Danforth): I thank the minister for the information.

REQUEST FOR COMPLETION OF PROJECT IN ALBERTA

On the orders of the day:

Mr. C. E. Johnston (Bow River): I should like to direct a question to the Minister of Reconstruction and Supply. When will he be in position to answer the questions I asked about two weeks ago with regard to housing? They were not long, and only brief answers would be required. I think the minister has the information right in his office in Ottawa.

Hon. Robert H. Winters (Minister of Reconstruction and Supply): I will take the hon. member's question as notice.

EXPORT AND IMPORT PERMITS ACT

REPORT OF OPERATIONS FOR 1948—REMOVAL FROM CONTROL OF A NUMBER OF NEW ITEMS

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, I wish to table the report of the operations for the year 1948 under the Export and Import Permits Act. I wish to table also copies of order in council P.C. 570, dated February 8, 1949, consolidating all outstanding amendments to the list of items under export control, and at the same time removing from control a substantial number

of new items. As a result, the number of articles for which export permit is required is reduced from 520 as of January 1, 1948, to 275.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. Lionel Chevrier (Minister of Transport) moved the first reading of Bill No. 13 (from the Senate) respecting the appointment of auditors for national railways.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

NEWFOUNDLAND—TERMS OF UNION WITH CANADA

On the order for motions: The Prime Minister—Motion for address to His Majesty the King respecting terms of union of Newfoundland with Canada.

Right Hon. L. S. St. Laurent (Prime Minister): I wish to ask that this motion be allowed to stand until Monday. It had been intended to deal with it immediately after the third reading of the Newfoundland bill, but some hon. members who are not here today have expressed the hope that they might have an opportunity, at the last stage of the proceedings necessary in this house to complete the union of Newfoundland with Canada, to make some remarks on the subject, and the consideration of this motion for an address to His Majesty will give them that opportunity.

Motion stands.

THE PRIME MINISTER

REFERENCE TO DEPARTURE FOR WASHINGTON FOR CONFERENCE WITH PRESIDENT TRUMAN

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, I understand that the Prime Minister is to leave this afternoon for an important conference in Washington with the President of the United States. Before he goes perhaps I might take the opportunity of wishing him well on his journey and in his deliberations, and ask him to convey to the President of the United States not only the good will and warm wishes of the government and its supporters in parliament, but also of parliament as a whole and of the Canadian people. I would ask him also to indicate to the President, as no doubt he will, that the most treasured desire and central objective of the Canadian people and the Canadian parliament is that the dogs of war shall be chained once and for all, and that it will never be necessary to have another world casualty list; in other words, that this country wants a just, permanent and lasting peace.

[Mr. McIlraith.]

Mr. M. J. Coldwell (Rosetown-Biggar): I think in this regard the hon. member for Peel speaks for everyone.

ISRAEL

INQUIRY AS TO SENDING OF TRADE MISSION FROM CANADA

On the orders of the day:

Mr. E. G. McCullough (Assiniboia): I should like to ask a question of the Secretary of State for External Affairs. Has a trade mission been sent to the state of Israel? If not, what are the government's plans in this regard?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, no trade mission has been sent from Canada to the state of Israel. The hon. member will recall that de facto recognition by Canada of the state of Israel took place only a few weeks ago, in December. I think I should say, however, that since we recognized de facto the state of Israel the government has had conversations in Ottawa with the representative of that state in Washington looking to ways and means of extending and developing our trade and commercial relations with that country. These conversations have been most encouraging.

BANK OF CANADA

REQUEST FOR ACCOMMODATION IN NEW CHARLOTTETOWN PUBLIC BUILDING

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I should like to ask a question of the Minister of Finance with reference to the withdrawal of the Bank of Canada branch from Charlottetown. Will the minister consider the advisability of having proper accommodation arranged for the Bank of Canada branch when the new dominion building is being constructed in Charlottetown?

Hon. Douglas Abbott (Minister of Finance): The hon. member was good enough to give me notice of his question. The situation in Charlottetown was this: The Bank of Canada was obliged to vacate the premises which it occupied, and was unable to find any other premises with suitable vault accommodation. Pending the obtaining of such premises the bank has made arrangements with the Eastern Trust Company of Charlottetown so that the people of that city and of Prince Edward Island as a whole will not be inconvenienced. I understand my colleague the Minister of Public Works (Mr. Fournier), in the preparation of the plans for the new public building in Charlottetown, is taking into account the needs of the Bank of Canada at that point.

GOLD

SALES FROM SOUTH AFRICA AT PREMIUM OF $6.50 PER FINE OUNCE

On the orders of the day:

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, yesterday the hon. member for Rosedale (Mr. Jackman) asked whether in view of the approval by the international monetary fund of the sale by South Africa of newly-mined alloy gold to be used only for industrial or professional work at a premium of $6.50 a fine ounce over the fund's price of $35 a pure ounce, the government would extend the same right to Canadian gold producers. At that time I told him I had seen the press report but had no official information on the matter. I said I would make an inquiry. I have done so, and I find that the international monetary fund has not in fact approved any specific sale of gold at a premium by South Africa. Yesterday the international monetary fund issued a statement in that regard which, for the purpose of the record, I shall place on *Hansard*. That statement is as follows:

Following certain press reports about a gold sale at premium prices made by South Africa, the international monetary fund wishes to make it clear that it has not approved any specific gold sale at a premium price.

The fund was consulted four months ago by the South African government with regard to a proposed plan to sell semi-processed gold at premium prices for industrial, professional, or artistic purposes. The fund advised the South African government that it was "disturbed by the fear that the trade in semi-processed gold which is contemplated by the South African government would involve considerable sales of gold at premium prices for other than legitimate industrial, professional or artistic purposes. It felt that this would almost certainly be the consequence if the proposed transactions are to be on a scale sufficient to ensure an appreciable profit to . . . gold producers.

In these circumstances," the fund added, "the fund believes that South Africa should not engage in the proposed plan unless it is satisfied that it can take effective measures to ensure that gold sold under the plan will in fact be used for bona fide and customary industrial, professional or artistic purposes."

The South African government informed the fund over this past week end that it has agreed to sell a quantity of semi-processed gold at a premium price. However, in the light of the information submitted by South Africa, including the prices and quantities involved, the fund has found it necessary to get in touch with South Africa with a view particularly to determining whether the safeguards adopted are, in the fund's opinion, adequate to ensure that any gold sold will in fact be used for bona fide and customary industrial, professional and artistic purposes.

Mr. Harry R. Jackman (Rosedale): Following the answer given by the Minister of Finance, I should like to ask this question. If the Canadian gold industry observes the same restrictions as the South African industry in regard to newly-mined gold for industrial and professional purposes, will the Canadian industry be allowed to sell on the open market?

Mr. Abbott: I do not care to answer a hypothetical question. Gold has been sold by the Canadian Mint for industrial and commercial purposes, and permits have been given for the sale of semi-processed gold for those purposes. However, in each case the price has been related to $35 an ounce, which is the amount paid by the United States treasury.

GRAIN

INQUIRY AS TO PRODUCTION PROGRAM FOR 1949

On the orders of the day:

Mr. E. G. McCullough (Assiniboia): I should like to ask a question of the Minister of Agriculture, of which I have already given notice. Is it the intention of the government to give a lead to western farmers as to what grains should be grown for 1949? If so, will the minister make a statement to the house in that regard?

Right Hon. J. G. Gardiner (Minister of Agriculture): As the hon. member has said, a copy of his question was sent to me this morning. The practice of the provincial and federal governments in the years preceding the war was that the provinces had the most to do with production. They gave more direction in that regard than did the federal department of agriculture. At the beginning of the war however it was thought advisable that considerable direction should be given by the Department of Agriculture in Ottawa. Therefore we held conferences annually, beginning in 1939, with the provincial authorities, farming organizations, the farm press and representatives of the federal Department of Agriculture, upon which occasions we discussed all questions relating to the necessity for greater production of one product as compared with another during the period of the war. That practice continued until two years ago, when we decided to hold conferences during the first week of December of each year and discuss the probable or possible program in connection with agricultural production for the succeeding year.

A conference was held on December 6, 7 and 8 last, at which the provinces and the farm organizations were fully represented. The agricultural press was represented, and for part of the time the daily press also. The question of the production of different farm products was fully discussed, and at the end of the meeting it was unanimously agreed that the direction that should go out from all sources should be to the effect that the acreage that had been utilized in the

previous year for the purposes of producing different crops, or in connection with livestock, would be suitable for the coming year.

But there was one possible change. Where western farmers had seeded a considerable acreage in flaxseed in the years during the war and up to last year, it was considered, in view of our experience, that it might be well for them not to seed so much flax; and to the extent that they desisted from seeding flax it might be wise to put their acreage into coarse grains which would be required in greater and greater volume in the years ahead.

RADIO BROADCASTING

C.B.C. TORONTO STAFF—REFERENCE TO RETURN TABLED FEBRUARY 9

On the orders of the day:

Mr. T. L. Church (Broadview): Mr. Speaker, I should like to refer to a return which was tabled on February 9 in answer to a question I had asked about the Canadian Broadcasting Corporation staff in Toronto. The answer is insufficient. I notice that the Minister of National Revenue is not here; therefore I shall bring up this matter on the motion to set up the special committee, or on some other occasion when the minister is here.

PASSPORTS

QUESTIONS AS TO RENEWALS BY ISSUE OF NEW PASSPORTS AFTER JANUARY 1

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Secretary of State for External Affairs. Can the minister answer the question I asked on February 4 with regard to passports not being renewed after January 1 of this year?

Hon. L. B. Pearson (Secretary of State for External Affairs): I am grateful to the hon. member for the patience and the courtesy he has shown in waiting for this information. I am afraid I have not even now all the information I desire to have in order to give him a full reply. But with regard to the point he raised the other day I can say this. After the Canadian Citizenship Act came into force on January 1, 1947, a new form of Canadian passport was issued. Subsequently it was found that certain inconveniences arose in renewing old passports which had been issued before January 1, 1947, because the national status of Canadians was not accurately described therein. Persons holding such passports are being asked, when they apply for renewals, to replace them with new passports. The new passports are issued without delay; they are valid for five years in the first instance, and may be renewed for a further period of five years.

The situation in regard to passports is now under review, particularly in relation to the practice being followed in other commonwealth countries where a similar problem has arisen. Full information is not yet available but I hope to be in position to make a further statement next week.

Mr. Fraser: When Newfoundland comes into the union, will residents of Newfoundland have to send their application forms to Ottawa?

Mr. Pearson: All I can say is that if and when Newfoundland comes into the union the citizens of that province will be issued passports in exactly the same way as they are issued to citizens of other parts of Canada.

Mr. Cruickshank: Will Peterborough have to have a special passport?

Mr. Fraser: Being the favoured county of Canada, it would be well if we did. I should like to direct another question to the minister. Has his department issued instructions to post offices, and other places where passport applications and renewals are issued, that passports cannot be renewed after January 1?

Mr. Pearson: I am not sure that that has been done, but it is one of the points I shall deal with in the answer which I hope to give to the hon. member at the earliest possible day.

IMMIGRATION

ADMISSION OF DISPLACED PERSONS—MEMBERS OF PROFESSIONAL GROUPS

On the orders of the day:

Mr. F. D. Shaw (Red Deer): I should like to direct a question to the Minister of Mines and Resources. Unfortunately I was able to send notice to him only at a late hour. Is consideration being given to liberalizing existing immigration regulations to permit the admission to Canada of displaced persons who belong to the professional groups?

Hon. J. A. MacKinnon (Minister of Mines and Resources): I received a copy of the question just before coming into the chamber. I think it is generally understood how difficult it is to act effectively, especially with regard to two of the classes which come within the category mentioned by the hon. member—dentists and doctors. Those professions largely control the naming of those who will be eligible to practise in Canada. A few such immigrants have been allowed to come to Canada as labourers, or, in other cases, as assistants to medical men. I may say, however, that the matter is being given serious consideration.

NATIONAL DEFENCE

AIRPORT SOUTH OF PORTAGE LA PRAIRIE

On the orders of the day:

Mr. C. C. Miller (Portage la Prairie): I should like to direct a question to the Minister of National Defence. Some transfer of authority is taking place affecting the airport south of Portage la Prairie. I should like the minister to indicate what the plans of the government are with regard to this matter; in particular whether the airport will be reopened for training purposes, or whether other expansion is contemplated.

Hon. Brooke Claxton (Minister of National Defence): I shall be glad to look into the matter and give my hon. friend an answer later.

SAM CARR

STATEMENT AS TO CHARGE TO BE PREFERRED UNDER THE CRIMINAL CODE

On the orders of the day:

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I wish to announce that Mr. Sam Carr is now in custody in Ottawa and will be brought before a magistrate in this city tomorrow. He will probably be remanded for one week. In anticipation of Mr. Carr's return we had retained Mr. John Cartwright, K.C., of Toronto to act as government counsel in this case. The charge with which we propose to proceed is that of conspiracy to commit forgery. This is under section 573 of the Criminal Code, and carries a maximum sentence of seven years. The alleged offence occurred in connection with the renewal of a Canadian passport issued to one Witczak and taken from him and used by an international spy posing under his name.

SOCIAL SECURITY

QUESTION AS TO PROVISION FOR INCAPACITATED PERSONS

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I desire to direct a question to the Minister of Health and Welfare. Has anything been done for the incapacitated people in Canada so as to give some relief and some social security to these unfortunate deserving people?

Hon. Paul Martin (Minister of National Health and Welfare): I think the hon. gentleman would be the first to admit the general character of his question. I cannot of course say what is being done, other than by the government of Canada, for the people concerned. I may say that much is being done for those who are incapacitated for one reason or another. I would call the attention of the hon. gentleman to the provisions that are made in the national health plan to cover tubercular patients, and persons suffering from cancer, arthritis, poliomyelitis, mental disease, and so on. I am sure the hon. member will appreciate the very wide scope of the services covered by these grants.

NEWFOUNDLAND

APPROVAL OF TERMS OF UNION WITH CANADA

Right Hon. L. S. St. Laurent (Prime Minister) moved the third reading of Bill No. 11, to approve the terms of union of Newfoundland with Canada.

Mr. John R. MacNicol (Davenport): Mr. Speaker, I shall not delay for more than a few moments the passage of this important and historic bill. I am fairly familiar with that magnificent island which is to be our tenth province; yet I feel that I should speak very briefly. Newfoundland was represented at the Quebec conference of 1864, when the four provinces of Canada, Ontario, Quebec, Nova Scotia and New Brunswick—decided to enter confederation. I often recall the words of Sir Ambrose Shea, who was one of the two Newfoundland representatives. So far as they were concerned they were satisfied with the proposals and would have joined the confederation, but did not have the authority to do so at that time. Ever since 1864, well-wishers of confederation, both in Newfoundland and in Canada, have looked forward to this day. I am sure we are all happy indeed at the prospect that lies before us. I will not repeat the exact words of Sir Ambrose Shea, but he said that, looking into the future, he could hardly describe the great vista that opened before him, in the realization of what confederation would mean to his province and to Canada.

Confederation has turned out to be something much greater than anything Sir Ambrose Shea could have visualized. At that time British Columbia was not a part of Canada, nor were the three western provinces. If Sir Ambrose could have foreseen the Canada of today, of which Newfoundland will be the tenth province, he would have seen that we have one river, the Mackenzie, with the largest basin, all in the same country, on the whole continent of North America. Some will say at once that I am forgetting the Mississippi, but the basin of the Mississippi is not all in the United States; part of it is in Alberta and part of it is in Saskatchewan. The Mackenzie river is wholly in Canada.

Canada also borders the largest lake in the world, although not all of it is in Canada. Eleven thousand square miles of the 31,000

square miles of Lake Superior are in Canada. We also have exceptionally high mountains. At the time of Sir Ambrose Shea, the St. Elias group of mountains between Yukon and Alaska, which rises to a great height, were not known to be in Canada. The highest mountain in that range is Mount Logan, with a height of 19,850 feet. Canada has inexhaustible resources. What would Sir Ambrose Shea have seen? He would have seen that the Canada of today is one of the largest national areas in the world. I believe we are exceeded only by Russia, including Siberia, but we are larger than European Russia. Together with Newfoundland's 152,000 square miles, we shall now have approximately 3,750,000 square miles. Including Newfoundland and Labrador, the population of Canada will be very close to thirteen and a half million people.

We have grown to be a very great state both in area and in population. Our cousins to the south have a larger population, but continental United States is more than 750,000 square miles smaller than Canada. Including Alaska it is perhaps 150,000 square miles less. I do not know whether it is there now because the building may have been blown down in the late war, but I often think of the inscription on the money exchange building in London near the famous monument to the great fire. The inscription is: "The earth is the Lord's, and the fulness thereof." When God made this part of the world he must have been thinking of the fulness of this country, because, interpreting fulness as material wealth, in many respects we surpass the whole world. For instance, there is nickel; in Canada we have approximately nine-tenths of all the nickel in the world.

Mr. St. Laurent: Asbestos.

Mr. MacNicol: Asbestos is to be found in the eastern townships of Quebec; we have approximately eighty to ninety per cent of all the asbestos in the world. Our country is rich in all minerals. It is only a few years ago that Canada produced over $200 million worth of gold, and at the same time the production of all minerals in Canada exceeded $500 million.

In coming into confederation, therefore, Newfoundland is joining one of the great countries of the world, and with the new province we shall make a greater country still. To me it is a solemn occasion when I think that from 1864 to 1949, a period of over eighty years, many efforts have been made to make confederation complete. When this bill passes the house, as it will, confederation will be complete. As the years roll on, those who come after us will refer to that great year when the confederation of Canada was completed as the fathers of confederation visualized it in 1864 and 1867. We in this house will be off the scene at that time, but we will be remembered for our humble parts in bringing to pass what the fathers of confederation sought to accomplish.

A short time ago I came across a few lines which seem to suit what is running through my mind at the moment. I will quote them:

> For the structure that we raise
> Time is with materials filled.
> Our todays and yesterdays
> Are the blocks with which we build.

The blocks with which this structure has been built are the men who carried on the negotiations for union from 1864 onward, the fathers of confederation of those days, representing Nova Scotia, New Brunswick, Quebec and Ontario, and those who carried on the present negotiations. Down the years all these men were labouring to build this fine structure which has finally come to pass. Now we and our brothers in Newfoundland may look forward to the certainty of rising to even greater heights.

Today we add another 1,500 miles to our Atlantic front. A moment ago when the hon. member for Peel (Mr. Graydon) was giving the Prime Minister (Mr. St. Laurent) some admonitions with respect to his trip to Washington, I thought of something else the Prime Minister might take up when he is in the United States. I hesitate to mention it, and I do not suppose he would have time to do it anyway, but on some future occasion he might consider negotiating with the United States in an endeavour to bring in the panhandle which cuts five hundred miles off our western coast. That is something for the future. If it should ever come to pass, what a majestic country we would have from the Atlantic to the Pacific.

As a humble Canadian, Mr. Speaker, I am proud and happy that the vision which these great men have had all down the years, and which our present leaders have worked so hard to fulfil, at last has become a reality.

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

AGRICULTURAL PRODUCTS ACT

EXTENSION OF OPERATION FOR A PERIOD OF ONE YEAR

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

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

Mr. Graydon: I take it the minister will want to introduce this resolution with a somewhat comprehensive statement, and I suggest that the appropriate time to do so would be before Mr. Speaker leaves the chair, having

in mind that this procedure has been generally followed so far this session.

Mr. Gardiner: The bill it is intended to introduce if the resolution is adopted is short and simple, providing that the provisions of the act concerning the sale and export of agricultural products shall be extended to cover an additional year. The provision made last session was to the effect that this bill was to cover the period to March 31, 1949. The new bill will provide that the period be extended to March 31, 1950.

The reason a bill of this kind is required is the fact that the activities with which it deals were carried on during the war under the War Measures Act. When the War Measures Act came to an end provision was made for some of the matters that had been dealt with under that legislation to be continued under the special measures act. A special measures act was introduced to deal with many of the matters that had been carried on by order in council under the War Measures Act, but so far as the sale of agricultural products by contract was concerned, a special act dealt with those, and it is a bill to extend that act with which we are dealing at the moment.

At this stage it might be advisable to point out that the bill itself defines the agricultural products which are covered by it, by saying:

"Agricultural product" means any product of agriculture, except wheat, and includes "feeding stuff" within the meaning of The Feeding Stuffs Act of 1937.

I quote that in order to point out that the wheat contract does not come under this bill. That contract has been dealt with under the wheat board act. In addition I think I should point out that section 3 of the bill provides:

Subject to any regulations that may be made by the governor in council, the minister may

(a) sell or export agricultural products to the government of any country or any agency thereof pursuant to any agreement made by the government of Canada with the government of such country or with such agency and for these purposes may purchase agricultural products and make such arrangements for the purchase, sale or export of agricultural products as he considers necessary or desirable;

(b) on behalf of the government of any country or any agency thereof purchase or negotiate contracts for the purchase of agricultural products;

(c) by order require any person to give such information respecting his facilities for the storing or processing of agricultural products and at such times as the minister may designate in such order;

(d) enter into contracts for the storing or processing of agricultural products.

I read those two sections in order to call attention to two facts. The first is that this covers all agricultural products other than wheat. The second is that the products other than wheat are limited to those for which we have agreements. At the present time we have agreements with Great Britain for the sale of bacon, cheese and eggs. The agreement with respect to bacon is carried out under the meat board. The agreement for the sale of cheese is carried out under the dairy products board. The agreement for the sale of eggs is carried out under the special products board. These are the three boards that were in existence during the war. Each is still carrying out a contract with respect to one important item; therefore it is necessary to continue in existence the three boards we had during the war period, and it is necessary to deal with matters having to do with bacon, eggs and cheese in any discussions we may have concerning what is to be done in the year 1949-50.

Mr. Bentley: May I ask the minister if horse meat is considered an agricultural product now?

Mr. Gardiner: Well, I presume horse meat is considered an agricultural product, but we have not an agreement with any government concerning it, so it does not come under this act as it is now operating.

Mr. Brooks: If I may ask a question, would apples or cheese—

Mr. Speaker: Order. I do not object to hon. members asking questions, but I suggest that the proper time to do so is when the house is in committee. As hon. members know, when the Speaker is in the chair an hon. member may speak only once.

Mr. Gardiner: I was just going to say that I do not think it would be helpful for me to attempt at this stage to go into any details either with respect to the contracts we had in 1948 or the contracts we expect to carry through in 1949. As soon as the motion is carried and we go into committee I shall be glad to attempt to answer any questions anyone may care to ask; and I leave it to hon. members to determine whether they wish to go into committee at once in order that a discussion of that kind may take place, or whether they would rather proceed with the discussion for the time being with the Speaker in the chair. At some suitable time I hope we will get into committee, when I hope to be able to give any information that may be desired.

Mr. J. A. Ross (Souris): As the minister has said, this resolution to amend the Agricultural Products Act to extend the operation of the act for a period of one year is really a continuation of the War Measures Act for certain purposes.

Part of the preamble of that act, brought in in 1947, says:

—the government of Canada entered into agreements for the sale or export of food supplies to other gov-

ernments or agencies thereof, which agreements still continue in force; and whereas certain orders and regulations were made by the governor in council under the authority of the War Measures Act and the National Emergency Transitional Powers Act, 1945, for the purpose of enabling Canada to carry out the said agreements; and whereas the said orders and regulations will expire on the 31st day of March, 1947, and it is necessary by reason of the existing national emergency that parliament confer authority—

In another paragraph the act points out that,

"agricultural product" means any product of agriculture, except wheat, and includes "feeding stuff."

Another clause of the act reads:

—the minister may sell or export agricultural products to the government of any country—

The entire authority is vested in the Minister of Agriculture (Mr. Gardiner) under the act as passed in 1947.

As a companion to this act, there is an act known as the Agricultural Prices Support Act, 1944, which was merely a transitional measure to provide for the maintenance of price levels and by which a revolving fund of $200 million was established. This amounts to less than 10 per cent of the amount this government has prevented the agricultural producers of Canada from receiving by means of controls, embargoes and government marketing programs. In other words, since 1942, this government has caused the farmers to lose over $2,000 million, which cannot be easily recovered. This figure is over three times the total expenditure of the three prairie provincial governments during those same years. It is a sizeable sum of money which the farmers have contributed by marketing their goods through government agencies.

The Prime Minister and the Minister of Agriculture told the members of the house that, by taking less than the prevailing world price for bacon, wheat and dairy products, et cetera, the Canadian farmer would be assured of good overseas markets after the war. Mr. Speaker, today Britain is purchasing great quantities of bacon from Poland and Denmark, beef from the Argentine and wheat from Russia. The Canadian overseas market for apples, fruits and potatoes has been entirely lost. Beef on the hoof and certain other agricultural products in Canada have decreased in price during the past five months by over 20 per cent, yet the cost of living index has reached an all-time high and now stands at 159·6. I do not think the consumers can accuse the agricultural producer of responsibility for that situation.

With respect to the cost of living today, the Minister of Agriculture (Mr. Gardiner), speaking on December 11, 1947, as reported at page 215 of *Hansard*, said:

. . . we have continued our control on wheat by making a contract with Great Britain. . . . the price of feed grains to farmers in eastern Canada and in other parts of Canada has borne about the same relationship to wheat as the government would have been compelled to place upon oats and barley if they had followed the suggestion of the organized farmers . . .

On the same page, he said:

. . . the most effective control on feed grains is the fact that there is an established value for wheat.

The Minister of Agriculture, speaking on this Agricultural Products Act on December 19, 1947, said this at page 503 of *Hansard*:

There has always been the closest check made on the relationship between wheat and feed grains, and between feed grains and products fed from feed grains, when all these contracts were being negotiated.

At page 504 he said:

We have the No. 2 price, which is the price under which wheat is sold to countries outside Great Britain. The No. 2 price is one we are able to charge because of certain conditions, the first of which is that we have sold an average of 150 million bushels a year to Great Britain over a period of four years . . . That is the first factor which makes it possible for us to ask a price, rather than to go on the market and sell at a price which is offered.

The second reason is that we are able to say it has a higher intrinsic value;

I quote now from page 505 of *Hansard*:

Mr. Ross (Souris): Could the minister explain how the wheat committee of the cabinet arrived at this price for No. 2 wheat?

Mr. Gardiner: The committee arrived at the price of No. 2 wheat by taking the United States price; then adding to it something to cover the intrinsic value of the wheat as compared with United States wheat, and then adding to that an additional value because of the extra protein content. We thus arrived at a price at which the wheat could be sold, and that price is higher than the United States price.

Mr. Smith (Calgary West): By United States price you mean the Chicago price?

Mr. Gardiner: The price which has been established from time to time in the United States.

At that time, Mr. Smith was referring to the Chicago grain exchange.

At page 509, the minister said, the British government—

—is prepared to give us in writing the undertaking which was given by word of mouth with regard to 1949, which will carry the food contracts in relation to these four commodities right through until close to the end of the wheat contract, with a position established where the amount which our farmers are receiving for wheat is similar to that which is being received in the other great exporting countries.

I believe the four commodities referred to, along with wheat, were bacon, beef, eggs and cheese. In fact, the minister spoke of those commodities this afternoon.

Mr. Gardiner: Not along with wheat, apart from wheat.

Mr. Ross (Souris): Apart from wheat; the point the minister was establishing was the fact that all these must bear some relationship to the basic price of wheat.

I have cited the authority of the special legislation for what the government had been doing under the War Measures Act. During 1946, the percentage of the total imports of Great Britain supplied by Canada for the various commodities is as follows: wheat flour 57 per cent; bacon, 38 per cent; carcass meat, which is chiefly beef, 7·6 per cent; eggs in the shell, 15 per cent; dried eggs, 15 per cent; cheese, 24·2 per cent and evaporated milk 10·5 per cent. It is recognized throughout this country that the government, year after year, neglected the United States market. They systematically refused to sell to those who wanted our foods and, at the same time, created a heavy deficit of United States dollars.

In 1946, during the discussions on the United Kingdom-Canada wheat agreement, this party stood alone in opposition to forcing the Canadian wheat producer to carry the entire financial burden. There were no ifs, so far as we were concerned. We predicted exactly what would happen, despite the protestations of the Minister of Agriculture (Mr. Gardiner) and of our socialist friends, the C.C.F.

If the terms of the United Kingdom-Canada wheat agreement had been carried out according to the adjustment clause, the price for the fourth year of the agreement would have been over $5 per bushel. However, it has now been arranged to ignore the terms of the contract and leave the final settlement until after the next Canadian general election. According to press reports Canada to date has received $640 million for offshore purchases under ECA. During the past twelve months, most of this money has come from Washington. Fifty per cent of the total of $322 million has been used to buy wheat, for the most part on British order.

I think that is proof of the serious situation facing the producers of this country. When wheat was selling on the world markets for $3.35 a bushel the United States farmer was receiving the full benefit, and the same thing applies to other agricultural products; while they bought their implements of production as cheap as, and in some cases cheaper than, the Canadian farmer. In this respect I wish to quote a letter which I have received—

Mr. Cruickshank: Have you anybody else to quote?

Mr. Ross (Souris): I have a lot more quoting to do. I want the hon. member to pay attention to what I am going to read now. I hold in my hand a registered letter from Morris, Manitoba. This is rather significant because a year ago the minister put on the record a letter which came from somewhere near that neighbourhood at a time when wheat was under discussion.

Mr. Gardiner: Mine was from Portage.

Mr. Ross (Souris): That is very close, but this one is different from the minister's correspondence. It reads:

> After reading my *Free Press* tonight—

He is putting in a plug for the *Free Press.*

> —and your speech about the United Kingdom wheat agreement I cannot help but thank you personally. It is a pity that there are only so few like you that have enough guts when at Ottawa to fight for the right, and that is all that the western farmer wants. I am just a young farmer who started farming in 1946, same time as the United Kingdom wheat agreement commenced; had to pay a very high price for all my farm machinery and high interest, which I still pay on $1,200, and then let Jimmie Gardiner sell our wheat for half price, and even then not pay us cash. What does he think we are? I happen to be one that took a wheat certificate for 1,000 bushels to the bank to borrow some money on it, and all I got was a big grin from the bank manager, and he said, "they are no good, young man." I am a true Canadian, and been a good Liberal all my life, but God forbid to ever again vote for a party that will let Jimmie Gardiner sell you down the river.

The minister put a letter on the record a year ago which came from Portage. It was addressed to the Minister of Agriculture (Mr. Gardiner) and the writer said that he was going to trust in God and Gardiner and continue the production of hogs. The writer of the letter I have read apparently has not the same faith as the chap who wrote to the Minister of Agriculture.

Mr. Gardiner: They will balance out all right.

Mr. Ross (Souris): An editorial appeared in the Winnipeg *Free Press* of February 7, and the heading was: "Empty criticisms". It says:

> The Conservative party supported the wheat agreement when it was entered into in July, 1946. The Conservative party voted in parliament for the wheat agreement.

I have challenged the Minister of Trade and Commerce (Mr. Howe) to show me any record in *Hansard* of 1946 where that vote took place. I cannot find it myself. I say it is an absolute misstatement of fact. The editorial goes on, but this is further proof of what the *Free Press* does have to say on some occasions.

Mr. Gardiner: If it was a unanimous vote, there would be no record in *Hansard.*

Mr. Ross (Souris): There was no vote.

Mr. Gardiner: It was unanimous.

Mr. Garson: The hon. member did not oppose it.

Mr. Wright: The hon. member should have voted against it if he opposed it.

Mr. Ross (Souris): We have the new Minister of Justice and the Minister of Agriculture going quite a long way together in the last few months. I shall have some reference to make to that in the future.

Mr. Cruickshank: They will go a long way further together.

Mr. Ross (Souris): The first announcement of the United Kingdom-Canada wheat agreement was given by the then Minister of Trade and Commerce on July 25, 1946. The hon. member for Neepawa (Mr. Bracken) asked when we might discuss the policy, and the then Minister of Trade and Commerce (Mr. MacKinnon) said:

> The estimates of my department will be before the house very soon, and we can then have full discussion.

These estimates were first introduced in the house on August 14, 1946, and my leader then, now the hon. member for Neepawa, and many others, spoke in opposition to that agreement as wholeheartedly as we could at that time. There never was any vote on the matter of the United Kingdom-Canada wheat agreement at all.

Mr. Garson: Why did you not call for a vote?

Mr. Ross (Souris): The Deputy Governor General in closing the 1946 session of parliament on August 31, 1946, said, among other things:

> An agreement has been made with the United Kingdom for the marketing of our wheat. The wheat agreement, with agreements for the marketing of other foodstuffs already in operation, will greatly assist the government in its policy of maintaining stable prices for agricultural products.

There was no vote whatever in 1946. Hon. members will recall that there was a by-election in Portage la Prairie in October, 1946. The Minister of Agriculture has referred to Portage. He took up his residence there for a considerable period of time. I do not believe he addressed a meeting in that constituency in which the wheat contract was not discussed. It was an issue there. In that campaign the government was supported on the wheat deal by C.C.F. speakers. We opposed that agreement throughout the by-election and hon. members know the result.

I should now like to refer to the price of international farm implements. In the letter I read reference was made to that. In 1945, just prior to the wheat agreement, these implements were selling for the following prices: the three plow tractor sold for $1,630.60; the combine for $3,150; the twelve foot swather for $394.60; the harrow plow for $401.75. In 1948, after the agreement the same three plow tractor sold for $2,179.75; the combine for $4,219.85; the twelve foot swather for $519 and the harrow plow for $488.

Of course today prices have gone considerably higher. I have comparisons as to the number of bushels of wheat the United States farmer has to produce to buy these same implements as compared with the Canadian farmer. To purchase in Canada a Farmall M tractor, international company tractor, required 1,225 bushels of wheat; in the United States, 710 bushels of wheat. To purchase a 3-furrow international tractor plow in Canada required 151 bushels of wheat; in the United States, 82 bushels. To purchase a 24-run international double disc seeder in Canada, required 270 bushels of wheat; in the United States, 146 bushels. To purchase a 10-foot international binder in Canada required 333 bushels of wheat; in the United States, 184 bushels. To purchase the same tractor in Canada would require slightly over the price of eleven finished 1,000-pound steers, while in the United States the same type of tractor would require the proceeds of only slightly over six such animals. It would require 46 select hogs weighing 210 pounds in Canada or 26 such hogs in the United States to purchase the same type of tractor. After all, what can be purchased with the goods that the farmer produces is what he is interested in.

Mr. Reid: Will the hon. member permit one question? Can he give us some of the prices of farm machinery across the line as compared with Canada? He is giving us the number of bushels of wheat to purchase the machine. My advice has always been that to compare machinery in one place with machinery in another you should have the prices, and my understanding is that the prices are cheaper in the United States than they are in Canada.

Mr. Ross (Souris): I have already made that statement in the remarks I have made. If the hon. member had been listening he would have heard me say that. I said that the farmers in the United States, while receiving all the benefits of high agricultural prices, were able to buy their farm implements cheaper than we could buy them in Canada.

With respect to federal taxes, direct and indirect taxes amounted per capita to $22.41 in 1913, and in 1939 the per capita had risen to $38.67. In 1947, the year just past, that per capita tax was $192.97. The tax has multiplied over five times since the beginning of the second world war, and it has greatly

added to the cost of production and the cost of living in Canada, a fact which government officials have ignored in compiling the cost of living index and of production for this nation.

I should like to say to the government backbenchers who are now making vehement speeches asking for the reduction of taxation that they had an opportunity a year ago to vote against the tax measures of this government. That was at a time when they were showing the largest surpluses in the history of this nation. They apparently think, along with their government, that they can bleed the people of this nation for four years and then play Santa Claus in the fifth year just prior to an election.

A year ago we proposed a motion giving hon. members an opportunity to vote against that if they had wished.

The Canadian federation of agriculture, in their brief of December 14, 1948, showed that the urban consumers have made great gains over the past fifty years in their food purchasing power per hour of work. Hourly wage rates last September could buy 60 per cent more food than in 1913 or 68 per cent more than in 1920. The farmer does not begrudge the gains of urban groups, provided these gains are not made at the food producers' expense, and provided these gains are in line with increases in productivity.

Mr. Cruickshank: You are on the wrong page now.

Mr. Smith (Calgary West): On a point of order, Mr. Speaker, a moment ago the hon. member for Royal (Mr. Brooks) politely asked the minister if he could ask a question. There were cries of order from the government benches. The Speaker rose of his own volition; the question was never answered and the hon. member for Royal (Mr. Brooks) was asked to sit down. We on this side of the house expect the same courtesy and also the same ruling; and it about time these asinine interruptions from over there were stopped.

Mr. Cruickshank: On a point of order, I will leave it to any member of the house from any party to say who interrupts more, when my leader, the Prime Minister of Canada (Mr. St. Laurent), is speaking, than the hon. member for Souris (Mr. Ross). Who interrupts more than the hon. member for Calgary West (Mr. Smith)?

Then, Mr. Speaker, on a further point of order, according to the rules of the house one is not allowed to read his speech; but the hon. member for Souris has read every word of what he has said this afternoon.

Mr. Deputy Speaker: I must point out that hon. members who have the floor should not be interrupted, nor should questions be asked without permission.

Mr. Cruickshank: And they should not read their speeches, Mr. Speaker.

Mr. Deputy Speaker: Also in this instance I should add that the hon. member for Souris did provoke some of the interruptions by referring to certain backbenchers. I believe that is why the interruption was made.

Mr. Cruickshank: I am no backbencher; but when it becomes a matter of listening to the reading of a speech—

Mr. Ross (Souris): In the ten sessions I have been here it has become quite apparent—this session is different and I am not sure whether it is the fault of the Prime Minister, Mr. Speaker, or the government whip—that they certainly have lost control of the house. That has not engendered respect for parliament throughout this nation, when people read *Hansard* and note the performance in the last two weeks of this session.

Mr. Grant: You have been the worst offender yourself.

Mr. Ross (Souris): The loss on the United Kingdom-Canada wheat agreement—

Mr. Cruickshank: What are you reading from?

Mr. Deputy Speaker: Order. I suggest the house should now allow the hon. member for Souris to continue without interruptions.

Mr. Cruickshank: Make him stop reading.

Mr. Ross (Souris): I think the whip on the government side should be called into action occasionally. The loss on the United Kingdom-Canada wheat agreement to the wheat producers from August 1, 1946 to December 31, 1948 amounted to $392 million.

Mr. Gardiner: On a point of order, when I was introducing the measure I deliberately pointed out that it does not cover wheat at all. I did it for the purpose of avoiding what is now taking place. However, if other hon. members are to be permitted to discuss wheat on this measure, then in making my reply it will be necessary for me to discuss it too. There will be another opportunity during the session to discuss wheat; this is not at all the time to do it.

Mr. Ross (Souris): On the point of order the minister has just raised, I have quoted from many pages of his speech on this subject of agricultural products delivered a year ago, on December 19. If anyone cares to look up the record of that speech he will find some five pages wherein the Minister of Agriculture dealt continually with wheat and its relationship to other agricultural products of

this country, and the wheat contract with Great Britain in particular.

Mr. Gardiner: I am just pointing out that that was done on previous occasions. If it is going to be repeated on this occasion, then I should hope no one will call me to order when I reply to what is being said. However, I do not think that is the way to keep order in debate. The hon. member has just made the statement that the Chair has lost control of the house. The only way to keep the Chair in control is to act according to the rules, and the rules provide that we cannot discuss wheat on this measure.

Mr. Fulton: On the point of order, the Minister of Agriculture should keep in mind that we are discussing a resolution, not a bill. That resolution states:

> That it is expedient to present a bill to amend the Agricultural Products Act—

and so on. That bill is not before us. It is all very well for him to say how it is to be amended. I should think, however, that until we have the bill before us we do not know exactly what it contains. Therefore we do not know whether it discusses wheat or other products. I submit that, despite what the minister has said, and his attempt to confine the discussion, the hon. member for Souris is perfectly in order in speaking as he has done on the resolution stage before the bill is introduced.

Mr. Ross (Souris): I believe I am in order. There was no interference and no question raised in a similar discussion respecting this act a year ago, when the Minister of Agriculture, on page after page, dealt with wheat. Now he raises the point of order. I am sure I am as much in order today as he was at that time.

Mr. Bentley: We have a right to Your Honour's ruling. The hon. member for Kamloops (Mr. Fulton) has pointed out that there is nothing in the resolution to indicate whether wheat is included. The resolution does specifically mention agricultural products, and the act states specifically that it includes all agricultural products, except wheat.

Mr. Fulton: But it may be amended to include wheat.

Mr. Bentley: I am not taking any sides as to who is right or wrong. But, as the minister has said, if permission is given to others to discuss products not included in the act, then we should all know it, so that we can take whatever part we care to take in the debate. We would like a ruling on the point of order.

[Mr. Ross (Souris).]

Mr. Graydon: May I speak to the point of order? I was out of the chamber at the time it was raised, but I believe I understand the purport of it. I should not think that a reasonable and sensible decision with respect to the question as to how far an hon. member may go in discussing wheat can be made until the bill is before us. However, I believe it has been the experience in the house throughout the years that those matters mentioned in the act can be debated, and other things omitted from the act may have the attention of the House of Commons as they are related to the matter under discussion.

I am in agreement with the views expressed by the hon. member for Swift Current (Mr. Bentley), while this is in the resolution stage. When the bill comes before parliament I believe we should have the widest range of discussion of the whole matter, including the marketing of agricultural products.

I am hoping, Mr. Speaker, that you will not attempt to confine the discussion and that you will allow the hon. member for Souris to continue; for after all this matter has a great bearing upon the economy of Canada, and is a major issue at the present time.

Mr. Cruickshank: He has only about ten pages to read.

Mr. Graydon: Thank you, Fraser Valley—but you are not making the speech.

Mr. Deputy Speaker: I must take some exception to the remarks of the hon. member for Souris, when he stated that the Speaker had lost control.

Mr. Jackman: No.

Mr. Deputy Speaker: I do not think it is proper for him to make that statement. At times there are interruptions which should not be made, and I think hon. members on both sides are responsible for those interruptions. Mr. Speaker—and in that I include myself—must try to prevent hon. members from making those uncalled-for interruptions. All I can say at this time is that I would ask the co-operation of all hon. members in maintaining order for the proper decorum of the house.

Mr. Cruickshank: Read the next four pages.

Mr. Deputy Speaker: Then, referring to the point of order raised, may I point out that the resolution before the house states:

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

Although I have not the act before me, I understood the Minister of Agriculture to say that wheat was not included in it. However, I think I would be making too fine a decision if I said that the hon. member could not

suggest at this time that wheat might be included, and that he could not discuss the possibility of the inclusion of wheat in the act. I do not intend to interrupt the hon. member for that purpose.

I would however point out to the hon. member for Souris that the objection has been raised that he is reading his speech. I do not know whether he is reading it, or whether he is following his notes.

Mr. Cruickshank: Very closely.

Mr. Deputy Speaker: But I would ask him, if he is reading his speech, to discontinue doing so, and to speak freely.

Mr. Cruickshank: That would tongue-tie him.

Mr. Gardiner: On the point of order, I am afraid Your Honour did not understand what I said. The question of wheat, which is now being discussed, is provided for in another act, namely the Canadian Wheat Board Act. Another minister has charge of that bill.

Mr. Knowles: On a point of order, Mr. Speaker, do you permit discussion after you have ruled?

Mr. Gardiner: Another minister has charge of that bill and I am not in a position at this time or at any other time to have that matter discussed on this bill. This bill distinctly states that agricultural products mean any product of agriculture except wheat. You have ruled, Mr. Speaker, that there is nothing to prevent my hon. friend asking that wheat be included in the bill, but that is not what he is doing. He is trying to discuss what took place under another act and I submit that he is not in order.

Mr. Ross (Souris): Mr. Speaker, I thank you for your ruling and I intend to abide by it regardless of the minister's objections. During this discussion I have done nothing but make a comparison of other agricultural products, and the Minister of Agriculture himself did that a year ago.

Mr. Deputy Speaker: My ruling was that I could not object to the hon. member asking that wheat be included in the act, and giving his reasons therefor.

Mr. Ross (Souris): Thank you, Mr. Speaker. Many people in this country have said that the Minister of Agriculture, who has objected to my referring to wheat, made the greatest gamble ever made by any individual or government in the history of the world when he sold this country short some 600 million bushels of wheat, of which 440 million bushels had not even been seeded and for which no man or woman had any idea what the future price would be. On the basis of that contract he has attempted to tie in the value of all other agricultural products, coarse grains, beef, pork, dairy products and poultry products; they have all been tied in with the price of wheat. Anyone can read the remarks he made, as reported in *Hansard* on December 19. The tying of the value of those agricultural products to the artificial price of wheat which had been created by this government has cost the agricultural producers of this country considerably over $2,000 million, an amount which they have no way of recouping. Statistics will prove that. I am one of those who believe that the government should reimburse those producers who have made altogether too great a contribution, along with paying their own share of the taxes for the subsidization of consumers during the war years.

A few minutes ago the Minister of Justice had something to say and I should like to call him as a witness on my behalf. I have before me the report of a speech which he made on March 31, 1948, not quite a year ago, when he was discussing the wheat board act. I intended to quote it but as that seems objectionable to some of my hon. friends across the way I shall just state that he pointed out that the wheat board was created in the interests of the wheat producers of this country and was so used until 1943, when by order in council this government decided to use it for some other purpose. Ever since then they have been using it to keep down prices.

Mr. Garson: On a question of privilege, I would much rather have my hon. friend quote my remarks than give his own interpretation.

Mr. Ross (Souris): I wish they could get together over there.

Mr. Cruickshank: The hon. member was reading his speech, not quoting.

Mr. Ross (Souris): Page four of this published speech, which was pretty well distributed throughout the province of Manitoba, reads:

> The Canadian Wheat Board Act of 1935 set up the wheat board as the voluntary agency of the wheat producers, charged with the fiduciary responsibility to secure for farmers who shipped wheat to it the best price available consistent with the promotion of the sale and use of Canadian wheat in world markets; and until the change made by order in council in 1943 all the business of the board was conducted on this basis.
>
> During the war, on September 28, 1943, by order in council P.C. 7942 your government provided that the wheat board was to become a compulsory agency or monopoly where it had formerly been a

voluntary agency; and that it was to become the agent of the Crown, instead of continuing as it had been the agent of the wheat producers. Later in 1947, the provisions of this order in council were incorporated into the provisions of the wheat board act where they now appear as section 4, ss. (2), reading as follows:

"4. (2) The board is for all purposes an agent of His Majesty in the right of Canada and its powers under this act may be exercised by it only as an agency of His Majesty in the said right."

And again:

The effect of these provisions in practice was that the wheat board was changed from being an agency of the wheat producers charged with responsibility for getting the best possible price, to an agency of the government, getting a price which would be fixed by the government, that is a political price, using that phrase in its best sense. Since 1943, when the wheat board was changed from being an agency of the wheat growers to being an agency of the government, the price paid to Canadian farmers for their wheat has been determined as a matter of government policy in the light of such consideration as the food agreements with Great Britain and the advantages of holding down the cost of living in Canada, and doubtless other equally worthwhile reasons.

Then I quote from page 13 as follows:

The holding down of the Canadian cost of living and the embargo upon the exports of farm products to the United States are examples of policies which are intelligible and perhaps wise. But they are also national policies, the cost of carrying out which should be paid, in our opinion, by the whole body of the Canadian people and not by the Canadian farmers only.

I hope he is able to bring that about now as a minister of the government. Farther down on the same page appears the following:

What other products of Canada, either primary or secondary, is the government going to fix the price of and leave the burden of carrying the difference between the government price and the market price upon the producers of those products? If this is a good policy for wheat and pork and beef and poultry products, and now oats and barley, why is it not a good policy for copper, newsprint, fish, tractors and farm implements?

It will be seen that the minister and I do not differ on everything all the time. I am pleased to call him as a witness and I hope he can exercise enough authority with his colleagues to see that these producers are reimbursed for the altogether unfair contribution they have made for so many years to the consumers of Great Britain and Canada. I am sure that is only a fair and reasonable request.

I pointed out at the beginning of my remarks that this was a continuation of the war emergency measures. It will give power to the Minister of Agriculture to arrange, through the cabinet, all these contracts and to do what he pleases with what our farmers produce in order to fill them. When the act was brought into being he told us that the representatives of many farm organizations were then in Ottawa asking for marketing legislation. That was not the type of legislation they were asking for, or, if they were, they have changed their minds.

Last year the farm federation of Canada presented to the government a brief asking for a natural products marketing act. As my time is just about up I shall not attempt to read the brief, although it is important. The Bennett government brought such an act into being but when the Liberal government took over they sent it to the courts where it was declared to be ultra vires.

The farmers of the country want enabling legislation so that they may have control of the marketing of their own products. They are asking for legislation similar to that passed in 1934 by the Bennett government, which legislation was then known as the Natural Products Marketing Act. The resolution follows:

Whereas the organized farmers of Canada, through the provincial and Canadian federations of agriculture, have on many occasions since the court decision that the 1934 marketing act was ultra vires, requested the dominion government to enact comprehensive marketing legislation that would enable farmers to market their products in an orderly manner;

And whereas the government has not seen fit to pass such legislation and has not as yet given any logical reason why this request of the farmers should not be granted;

And whereas eight of the nine provinces of Canada have shown by their actions in passing provincial legislation that, in their opinion, such legislation is necessary and in the public interest;

Therefore be it resolved:

1. That the Canadian federation of agriculture again puts on record its belief that dominion marketing legislation, to supplement the provincial acts, is urgently necessary if the farmers of Canada are to be placed in a position equal to that of other elements in the community.

2. That once more the Canadian federation of agriculture requests the dominion government to introduce at the next session of parliament comprehensive marketing legislation that will make it possible for groups of farmers to control the marketing of their own products rather than be at the mercy of speculative interests.

3. That failing assurances that such legislation will be introduced, the Canadian federation of agriculture demands to know the reasons why the government of Canada, by its lack of action in this important matter, is apparently of the opinion that the farmers of Canada should be kept permanently in an inferior position as compared with other elements of society, and that such reasons be published for the information of all Canadian farmers.

I think that is sufficient proof, Mr. Speaker, that farmers in general across Canada are not satisfied with this act. I know personally that they are very much dissatisfied with the state of confusion that has been created by the Minister of Agriculture (Mr. Gardiner) and the government under this act. They are very fearful about their future. Their costs of production have risen consistently. I have given some instances with respect to the cost

of farm implements. The cost of farm labour is higher today than at any time in history, although I am sure we want to see all workers well paid in this country. Then there is the cost of fuel oil, the twine they use, and everything else which enters into agricultural production. These things have not been taken into account at all at this time.

The bureau of statistics issues figures showing the income of the agricultural population, but that is gross income. In many cases it would be very significant to have the net income and compare it with the gross. I say the farmers of the country are very fearful about their future. They are not satisfied with what has been done in the past under this act, and under the orders in council of the government. They are entitled to a great deal better act at this time. Therefore I disapprove of this measure as it is drawn, and I think there should be other marketing legislation provided in the interests of producers.

Mr. Thomas Reid (New Westminster): At this time I desire to say a few words on the resolution. First of all I have something to say with regard to the speech to which we have just listened. I suppose it is not unnatural for men who are growing wheat to want more money. Everybody usually wants more.

Mr. Ross (Souris): All agricultural producers.

Mr. Reid: But I think the time has come when a decision will have to be made about many classes in this country. I sat in the House of Commons during the depression years, and I remember that wheat dropped to something like 40 cents. The cry in those days was that it was the responsibility of the government to do something about it. I have always felt that if citizens of the country are going to say on the one hand that they want to be free agents in the sale of their products on the markets of the world so that they may obtain the best price, if they are going to say in that situation that they do not want government interference, then the same philosophy should be followed throughout the lean years. You cannot say at one time that it is the responsibility of the government when prices are not good, and then when there is a better market come along and say to the government, "get out of it; it is ours now; we are free individuals." It is about time that some of us, who are buyers of wheat, told the farmers of the prairies what we are up against in British Columbia.

We have a splendid market for wheat in British Columbia. I should like to ask hon. members, including the hon. member who has just spoken, what kind of poultry and egg prices he thinks can be obtained when we are called upon to pay $3.75 per 100 pounds for No. 5 wheat. It is no wonder our people are beginning to look at the prairies and say, "well, those boys are surely getting away with a real harvest."

Mr. Ross (Souris): What about the poultry producers?

Mr. Reid: The cry of the wheat producers just now is not that they are not making ends meet, that they are not making money, but that they want more than they are getting at the present time.

An hon. Member: You had better interview the butter producers about their prices.

Mr. Reid: There are interruptions, and I will take them as they come. I do not complain about interruptions as long as they are intelligent. It does not bother me, but I think I can say that I interrupt less than any other member. It may be that some of our poultrymen should be told to go to the prairies and grow wheat, because I understand there are some 400 wheat farmers now living during the winter in Regina. They can close their farms after about three months' work a year, and live well in the city.

Mr. Nicholson: Nonsense.

Mr. Reid: They can close their homes and go to British Columbia, or go to Regina, and live the life of Riley, but poultrymen in our province have to pay $3.75 per 100 pounds for No. 5 wheat.

An hon. Member: You said per bushel a while ago.

Mr. Reid: If you would listen more intelligently you would know that I said $3.75 per 100 pounds. When the member for Souris (Mr. Ross) blames the Minister of Agriculture (Mr. Gardiner) for fixing the price of wheat on the basis of other products in the contracts with Great Britain, I can certainly say to him that the price of wheat is not linked to the price of eggs. With the price of eggs which we obtain from Great Britain, and which is paid by the special products marketing board, the poultry farmers of the Fraser valley are simply going out of business.

I have one further word to say regarding the British market. At this time I am not going to raise animosities—

Mr. Nicholson: You have done so already.

Mr. Reid: You are making a good attempt right now, as I may have animosity against you if you do not keep quiet. There should be no reason for animosity between the people of this country and the people of Great Britain, because every member knows, and

the Canadian people know, of the wonderful part the British people played in saving democracy, and that they at the time practically stood alone. Certain misgivings arise in the minds of many people, now that peace has been declared, when they see Britain sending metals and war planes to soviet Russia, and leaving the markets of Canada alone, or out of their purchases. They do not want any British Columbia canned fish, lumber or eggs. While the Minister of Agriculture has been criticized, I feel that inwardly hon. members will agree with me that he put up the best fight that anyone could with the British authorities.

The British are great traders, as we all know. I do not have to remind you of that, and they usually send people from the north of Scotland to do the trading. When they get around a conference table they drive a pretty hard bargain. While the contract with Great Britain is not all that it should be, and we in British Columbia are certainly displeased with the British egg contract, I think it is to the minister's credit that he brought back to this country as good a contract as he did. It is not my duty, however, to warn the British people or to warn our people, but I would not like to see the lack of trade agreements bring about differences between the people of Canada and the people of Great Britain. I think that while we owe a great debt of gratitude to the British people, the British nation also owes some recognition to the Canadian people for what Canada did during the war.

Owing to the fact that the people of Great Britain and Europe required food, we were naturally encouraged by the government, at the request of Great Britain, to increase our agricultural production. In British Columbia, because of sentiment, shall we say, because also of our desire to help the British people, and at the request of the government, we increased our poultry flocks. Throughout the Fraser valley, and all through the province, men went into the poultry business who had not been in it before. But now it appears the British are not prepared to buy as many of our eggs, nor our lumber or canned salmon.

I think we can take a great deal of credit for one thing, Mr. Speaker. Of all the eggs that reach the British market, none can compare in quality with our Canadian eggs. So much is that the case that I understand this year two great egg-exporting countries, Eire and Denmark, are sending experts to Canada to ascertain how this country produces such fine eggs. So it is hard to understand why the British people or the British government would not want more of this excellent product.

[Mr. Reid.]

I rose particularly to make a suggestion, and I ask the Minister of Agriculture to give it very serious consideration. Under this act, in order that the contracts for the various agricultural products may be fulfilled, we have been debarred from a free market. In British Columbia, at least at the present time, we could sell our eggs and poultry at much higher prices in the United States than the special products board will pay or even than Canadians are willing to pay for these products. If no better contract with Great Britain can be obtained, we are asking that we in British Columbia should be allowed to find that higher market, and that we should not be barred from that lucrative business across the boundary line. In all sincerity I ask the minister to give the people of British Columbia at least that consideration.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, the measure before the house merely extends for another year the operation of the Agricultural Products Act, though the discussion has covered a somewhat wider field. I want to state, first of all, that as far as we here are concerned we feel that this act is a poor substitute for a natural products marketing act on a national scale, but in view of the fact that it is necessary in order to carry out the contracts that have been or may be entered into, we are prepared to support the extension of this act.

I believe the real issue is whether or not this government or this parliament is going to take steps to provide a marketing act on a nation-wide basis, so that all commodities may be sold in such a way that the producers will receive the fullest possible benefit from their production. I agree with some of the remarks made by the hon. member for Souris (Mr. Ross), in that it is the responsibility of the government to reimburse or compensate the farmers who have incurred losses in the past few years owing mainly to the fact that the government has failed to carry out its price stabilization policy. But I cannot agree with the argument, which is at least implied, that the farmers would like to see the open market return. The fact is that the Canadian federation of agriculture has asked this parliament, or at least the individual members, to pass a marketing act; and if I understood the hon. member correctly he indicated that he was in favour of a natural products marketing act. If we are in favour of an act to provide for the orderly marketing of farm products we cannot argue at the same time that we are for the open market, because we cannot be on both sides of the fence at once. I am sure it is within the memory of all hon. members that when the Canadian Wheat Board Act came up—which was an endorsation in an indirect way of the British wheat

agreement—hon. members of the Progressive Conservative party to my right voted for it. One hon. gentleman here says he did not; there may have been one or two.

Mr. Ross (Souris): We have never voted on that agreement as such. It was never before this house in the form of an agreement.

Mr. Zaplitny: May I point out that what I said was that when the wheat board act came before this house the members of the Progressive Conservative party voted for it, with the exception of one or two who may have opposed it.

Mr. Ross (Souris): I have supported the wheat board right from the start.

Mr. Zaplitny: I am not speaking of the wheat board; I am speaking of the wheat board act, which implied approval of the British wheat agreement, because it was only under the wheat board act that we could carry out that agreement at all. There is no use trying to wiggle out of that position; this house did support the wheat board act and at the same time, tacitly if not expressly, endorsed the British wheat agreement. But the basis on which that was done, as far as western agriculture was concerned, was that we were entering into an agreement with Britain for the purpose of having a guaranteed market at a guaranteed price over a period of time, and that in return we were willing to accept a price lower than the world market price at that time. We wanted stability; and it was the responsibility of the government to see that such stability was maintained.

That is where the difference of opinion arises today. As far as I am concerned it is not a question of whether we should be for or against orderly marketing. I am for it. It is a question of whether the government has carried out its end of the bargain. I contend that it has not, and to that extent I agree with the hon. member for Souris. But I do not agree with him if he implies that the Canadian farmers wish to get back to the open or speculative market; I cannot go along with him on that.

Since the statement has been made that no one to my right supported the British wheat agreement, let me quote what was said by the then leader of the opposition, the hon. member for Neepawa (Mr. Bracken) on August 14, 1946:

> I rise at this time to criticize the government's wheat policy. But before doing so, let me say this, with respect to the United Kingdom wheat agreement. Any agreement such as this which tends to level out the inequalities, and the wide fluctuation of prices in the past, is a step in the right direction.

That pretty well makes this house unanimous in approving the principle behind the British wheat agreement, if not the details themselves. The then leader of the official opposition agreed that any contract which would tend to cut out fluctuations or inequalities in marketing was a step in the right direction, and I agree with him one hundred per cent.

Mr. Deputy Speaker: Order. The question was raised a short time ago as to whether a discussion of wheat generally was in order at this time, and my ruling was that wheat could be discussed by any hon. member who thought it should be brought within the Agricultural Products Act. I think that a general discussion on wheat is not now in order, nor is a discussion of the wheat board act and other related acts. I made that ruling some time ago. I do not wish to limit discussion unduly, but I would ask hon. members to observe the ruling to the best of their ability. I made the ruling during the course of a speech by the hon. member for Souris (Mr. Ross). I do not think he proceeded with his argument until some question was asked him by the Minister of Justice (Mr. Garson).

Mr. Zaplitny: Mr. Speaker, I am sure that as I proceed I shall have no difficulty in keeping within the terms of your ruling. The chief point at issue so far as we are concerned, as I mentioned at the outset, is whether the proposed bill to follow this resolution will go far enough to provide the type of marketing legislation the farmers of Canada desire. We contend it does not go far enough. We contend it is necessary to have a natural products marketing act on a nation-wide basis, with marketing boards in the various provinces. These boards would have producer representation on them and would be a means of carrying on a nation-wide system of interprovincial and export trade.

In 1945, the Canadian federation of agriculture presented a draft bill to all members of the house, a copy of which I have in my hand. This draft bill sets out in a general way the type of legislation the farmers are requesting. According to the wording of this draft bill, it would have as its purpose the improvement of the methods and practices of the marketing of natural products in interprovincial trade within Canada, and in export trade, to make provision for the regulation and control of the trade and commerce therein, and to make further provision in connection therewith. Then, the draft bill sets out the way in which the act would operate.

Recently, the president of the Canadian federation of agriculture made this statement.

as reported in the *Rural Co-operator* of Ontario:

> Are we again to see food products—real wealth—backing up, clogging markets and bringing distress to farm families while populations elsewhere suffer undernourishment or stark hunger simply because they have the wrong currency, and because the rules of the financial world won't let one currency be freely converted into another?
>
> We thought we had learned the lesson in two world wars that what is humanly and physically possible should also be financially possible.

The challenge to this parliament is to make it financially possible to carry out what has been made physically possible. The production is here. Under the old system of marketing, the farmers have often produced themselves right out of the market. In other words, they have produced so much that the cry of overproduction has gone up.

Mr. Diefenbaker: That is what happened to two crown companies in Saskatchewan; they had to close down.

Mr. Zaplitny: I do not know what that has to do with this argument. Let us continue with this argument, instead of deploying in all directions.

Sir John Boyd Orr has proven his argument that there has never been enough food in this world to satisfy all the hungry people. There has always been starvation, famine and lack of proper nourishment in the nations of the world. Our health department shows that, in this country, which is supposed to be the bread basket of the world, there was before the war a highly disturbing proportion of undernourishment amongst our own population. That being so, no one can say the farmers produce too much. It is simply due to the fact that agricultural production has not been efficiently distributed to the markets of the world. It is also due to speculations in the market when the motive was to make a profit out of food production rather than to deliver food to the people who needed it.

The president of the Canadian federation of agriculture has challenged this parliament to get around the dollar difficulty. He does not say how that can be done, but it is not his function to do that. He is placing the problem before us.

On the 19th of March, 1948, a very interesting exchange took place between the hon. member for Calgary West (Mr. Smith) and the then minister of reconstruction who is presently the Minister of Trade and Commerce (Mr. Howe). I should say that a question was asked by the hon. member for Muskoka-Ontario (Mr. Macdonnell), and this is recorded on page 2418 of *Hansard*:

> I want to ask the minister one simple question. I am much impressed, as I hear him talk, as to the position of the milling and other industries. He says that the government will do this and the government will do that, and that as long as these people will do what they are told, they will be well off. Perhaps they will. Would I be wrong in calling this a highly socialistic measure?
>
> Mr. Howe: State marketing is socialism, yes, if you like. But it is hard to be different in a world that at the moment is following state marketing for reasons which I think are largely beyond their control. There are currency problems, credit problems and a number of factors, which are driving countries to state marketing at the present time.

Now, that happened last March. Events since then have proven, to a very great extent at least, that what the minister said at that time was quite correct. Regardless of the type of trade we may like to have, we are governed to a certain extent by the type of trade that is prevalent or in vogue in the rest of the world. If Great Britain and the other countries have dollar difficulties and cannot buy from us in dollar currency, it is up to us to find a way in which we can dispose of our marketable products without involving dollar difficulties.

One of the ways in which this might be accomplished was suggested by my leader in a recent speech in which he pointed out that we could make bulk trade agreements with Britain and other countries on the basis of blocked sterling which would not involve immediate payment. By whatever manner it is done, I think it is highly important that this parliament realize the importance of this problem so far as the agriculture of this country is concerned. We shall be faced again with this artificial surplus, food piling up while people are going hungry. It is going to be the old story of hunger amidst plenty.

There are those who argue we should get around it by going back to the open market system. These people may have some reasons for presenting that argument, but recent events seem to argue strongly against it. This morning I clipped an article which appeared in the Ottawa *Journal*, headed:

> U.S. administration seeks to stabilize slump in farm prices.

The dateline is Washington, February 9:

> The Truman administration moved today to shore up farm prices ordering an investigation of the commodity market slump which it attributed in part to "speculative influences."

Would the hon. member for Souris (Mr. Ross) or any other member of this house suggest that we follow the United States pattern of open market trading when it is breaking down right before our eyes and the government of the United States has to step in to save the producers? In western Canada we pride ourselves that, at least, the farmers many years ago foresaw this condition. The

mere mention of the Winnipeg grain exchange to a farmer is a challenge to come out and roll up your sleeves, because they will not any longer fall for that open market story so assiduously proposed by certain interests which are spending millions of dollars to publicize the glories of the open market and to attack the wheat pools and the co-operatives of western Canada. I do not think they will fall for that propaganda. I would be very sorry if any hon. member coming from western Canada, and representing a rural constituency on the prairies, would lend himself to be the vehicle for the arguments of the Winnipeg grain exchange.

Let me quote some figures to supplement those quoted by the hon. member for Souris (Mr. Ross). He quoted figures to show how many bushels of wheat were required to buy certain farm implements in the United States as compared with Canada. Let me remind him that from 1931 to 1935 we did not have the Canadian wheat board. We had the wide open free enterprise speculative system of selling grain. Here are some of the figures that it is well worth while to keep in mind. In 1931 it took 715 bushels of wheat to buy an 8-foot binder.

Mr. Ross (Souris): How much in the United States?

Mr. Zaplitny: In 1932 it took 823 bushels of wheat to buy an 8-foot binder. The next year it took only 560 bushels, then 442, and so on. If the hon. member will compare those figures with the figures he gave to the house—

Mr. Ross (Souris): Compare them with other countries.

Mr. Zaplitny: I have not the figures for the same years in the United States, but we are now dealing with Canada. We must face the question in a reasonable way. It is not an ideological matter; it is a matter of being practical. The farmers have realized that they cannot trust the speculative market to handle their produce because it is not being handled for the purpose of giving farmers the greatest return for their labour nor to give the consumer the cheapest food possible. It is being handled for the purpose of extracting the greatest possible profit out of the labour of the farmer and out of the consumer of food.

Having come to that conclusion, the next logical step is to find another system by which their food products may be marketed. Various members have proposed various schemes, but in order that there may be no doubt about where we stand on the question I wish to place on record the six points adopted by our national convention last summer when it dealt with agricultural markets. They read as follows:

The C.C.F. therefore proposes:

1. A system of guaranteed or forward prices. Minimum prices will be established well ahead of the planting or breeding season to enable farmers to plan their production in advance without worrying about market fluctuations.

2. Enactment of a national marketing act, and the establishment, with producer and consumer representation, of marketing boards for all agricultural products, which enter into interprovincial or export trade.

3. Orderly world marketing based on long-term international agreements.

4. Assistance in the development of co-ops, commodity groups and other farm organizations for orderly marketing.

5. Elimination of speculation in the marketing of foods.

Adoption of the "ever normal granary" principle. The federal government will assume the major responsibility for financing the storage of sufficient feed and seed grains to ensure a continuous supply. It will also construct strategic storage facilities itself and will assist provincial and local governments as well as farmers to build supplementary facilities in all appropriate areas.

If these proposals were adopted—and I think this parliament could adopt them without doing any violence to its political views—they would be practical steps which would help the farmer to dispose of his products to the very best advantage to himself and to the ultimate consumer.

I wish to emphasize that the time has come when scientific methods can be introduced for the processing and the storage of foods which could not be stored some years ago. We have advanced in the field of refrigeration, cold storage and processing to the point where it is possible to carry a far larger proportion of our surplus than was possible some years ago, and we should take full advantage of that. Surely in a world such as we live in, when no one knows when the next famine will come, or where, when no one knows when peace may be violated, it would be only sensible and humane to provide large storage facilities for surplus foods which could be used in times when production fails. That, together with machinery set up on a nation-wide basis for the proper and orderly marketing of farm products, is what the farmers of Canada want.

Mr. Robert Fair (Battle River): Mr. Speaker, it is not my intention to cover the whole field which has been covered by the speakers who have preceded me, but I feel it is my duty at this time, in dealing with wheat, again to place on record the stand of this group in connection with the British wheat agreement. At the time when the agreement was before the house we said that we would support it

because we felt that we had a moral obligation to the people of Britain. At the same time we made it quite clear that this was a job for the people of Canada to perform, and under the wheat agreement, and things which have matured since, this whole load is being borne by the wheat growers of the provinces of Manitoba, Saskatchewan and Alberta.

Mr. Gardiner: On a point of order, the Speaker has just ruled that it is out of order to discuss this question on this particular measure. When I tried to get the ruling at first I said that if this was going to be discussed I would reserve the right to answer the statements that were made.

Mr. Quelch: On the point of order, two speakers, one from the Progressive Conservative party and one from the C.C.F. party, have already spoken and both dealt fully with the question of wheat. Surely, in fairness to other hon. members, at least two members from each party should be allowed to continue the discussion in the way in which it has been conducted up to the present time.

Mr. Fair: Since we have a new Speaker in the chair at the moment—

Mr. Gardiner: It is on record that the Speaker has ruled that it could not be done. I want it to be understood that if we are to have another ruling—

Mr. Ross (Souris): It has been done by everybody.

The Acting Speaker (Mr. Golding): I was not in the house when the Speaker made the ruling, but I did hear him suggest that it would be in order, if an hon. member was speaking to the point that wheat should be included in this bill. I gathered from his remarks that it would not be in order to deal with wheat unless it was for the purpose of asking that it be included in the bill. If the hon. member is proposing that wheat be included in the bill, then I would not wish to stop him. On the other hand, if he is dealing specifically with wheat, I think he would be out of order.

Mr. Fair: Mr. Speaker, when I rose to speak a few moments ago I said clearly that I did not intend to cover the whole field covered by the previous speakers; but in order that our stand might not be misinterpreted I wanted to place on record once more our views in the matter. I think it is only fair that I be permitted to do so, since other parties have spoken, and we have heard two speakers from the other side of the house. I think you are being fair to me, Mr. Speaker, and I want to thank you for that.

[Mr. Fair.]

I had stated that the losses under the British wheat agreement had been borne and are being borne and will continue to be borne by the wheat growers of the provinces of Manitoba, Saskatchewan, Alberta and that portion of the Peace river bloc in British Columbia coming under the operation of the Canadian Wheat Board Act. That is not generally known, and perhaps it is well to have it on the record at this time. I am going to state once again, as I have already said, that these losses which will finally be figured out by statisticians should not be borne by the wheat growers of the prairie provinces. That is a responsibility of the people of Canada. It is my hope that the loss will be made good as soon as the amount of it can be properly ascertained. It has been stated that people are looking for tough times in agriculture. It is only natural that those tough times should come again, even though there is no necessity in the world to have them brought about. If they do come again it will be through the machinations of evil men. Some of those evil men may be in the House of Commons and, through legislation passed, become responsible for conditions which may develop later.

Agriculture has always taken the rap. When war comes, the farmers are the last to have the prices of their products raised; but when war is over the farmers are the first to have their prices reduced. Reading from the publication *The Budget*, published by the Alberta wheat pool, we find this in a recent issue:

> The average prices received by farmers in the United States in mid-December, according to the United States department of agriculture, were eleven per cent lower than those prices received a year earlier. Some of the price declines which began last summer were:

	Percentage Decline in Price
Feed grains and hay	40
Food grains	26
Oil bearing crops	23
Truck crops	29
Cotton	13
Meat animals	4
Dairy products	9
Poultry, eggs	1

In the matter of egg and poultry production, my sympathies are with the hon. member for New Westminster (Mr. Reid), who spoke a little while ago. However, I should not want him to get the impression that the wheat growers of the prairie provinces are responsible for the high prices being paid in British Columbia. He must consider the people in between, chief of whom are the railway companies who carry the grain and receive the mountain differential rate for

doing so. Those injustices should be removed —indeed those rates never should have been allowed in the first instance. It is time something was done, and we hope the hon. member for New Westminster will do his share in having that condition rectified. I am sure he will.

In order to give some support to the contention that the Minister of Agriculture (Mr. Gardiner) is not entirely opposed to the arguments I have made on several occasions, as recently as Wednesday and Thursday of last week, upon which occasions I dealt with wheat—and for that reason I shall not deal with it today—let me quote from the afternoon edition of the Ottawa *Journal* of yesterday an item bearing the heading "War Sacrifices of Farmers Entitle them to Fair Prices." The article states:

> Canadian farmers were "entitled now" to prices which would justify their wartime sacrifices, agriculture minister Gardiner said last night. He was speaking to the annual meeting of the Ontario concentrated milk producers association at the Chateau Laurier. More than 150 delegates are attending the two-day session, the largest in several years.
>
> "Because there have been declines in the United States, people here are suggesting that food prices should drop to that level, forgetting that prices there rose during the war to a peak never experienced here."
>
> The whole idea in preventing high food prices in Canada during wartime was to allow a "levelling out" afterwards, Mr. Gardiner remarked.
>
> He was "inclined to agree" with the popular statement that consumers did not appreciate what farmers did during the war in keeping the cost of food down. Mr. Gardiner said he was "surprised that farmers had not been able to sell that idea fully."

Commenting on that, may I say that farmers and representatives of farmers in the House of Commons have been much too modest and too silent in making demands of the government for their farmer constituents. In what he said last night, the Minister of Agriculture has surely borne out that statement. The article continues:

> To reduce the cost of food would mean "bringing down returns to farmers."
>
> "People are inclined to forget that farmers, and dairy farmers in particular, were asked to hold their hand on prices during the war—at a time when they might have charged almost what they wanted."

Then the minister proceeded to deal with trade with Great Britain. I believe I am safe in saying, without fear of successful contradiction, that the evil doings of men in high places are responsible for the restricted trade we have with Great Britain and other countries. In that connection I believe the Bretton Woods agreement and the Geneva trade agreement are wholly responsible.

I said earlier in my speech that I was not going to cover the whole field of agriculture. My main purpose in rising was to say that we are going to support the resolution in the hope that in the future something better will be done for the farmers. Those of us who are alive to conditions which have existed in past years realize that because of the circumstances I have mentioned farmers have lost hundreds of millions of dollars.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I should like to say a brief word. I am not going to make a political speech, as have other speakers. I made my speech a little earlier in the day over the radio. The best speech I could make to my constituents over the radio would be to quote the Minister of Agriculture (Mr. Gardiner), who committed himself publicly last night to the effect that no longer will he permit farmers to be sacrificed.

Let me offer my apologies to the hon. member for Souris (Mr. Ross). I never questioned the quotation he has made; but I must say he has been one of the most proficient in the House of Commons—in a good-natured way—in interrupting the leader of the government, the Prime Minister of Canada (Mr. St. Laurent). The hon. member ought to be able to take it when occasionally it is handed back to him. I am surprised that this great supporter of Western Canadian farmers would shove down the hill one of the greatest exponents of agriculture this House of Commons has ever known, namely the hon. member for Neepawa (Mr. Bracken), and, in doing so, do his best to prevent another great exponent of agriculture from Lake Centre (Mr. Diefenbaker) from arriving at the position he should have, rather than having the farmers of Canada led by Bay Street. That is all I have to say in that connection.

May I say through you, Mr. Speaker, to the Minister of Agriculture (Mr. Gardiner) that I am in the difficult position of not agreeing entirely with any of the three speakers who have preceded me. The Liberal party until recently had held office for twenty-one years under one leader because it adopted the policy of compromise. Perhaps I have adopted that policy by accepting the best parts of the speeches of the three preceding me.

Having the privilege of representing the leading agricultural constituency in British Columbia—and I say that without fear of successful contradiction—I support the resolution offered by the minister. I am not satisfied with what was said by a previous speaker representing the C.C.F. party. We in British Columbia, and certainly in my constituency, want a natural products marketing act, and we are willing to support that. We do not believe, with the hon. member for Souris, that the farmers should continue to be sold down the road for the benefit of a few

St. James Street and Bay Street exploiters, and the Winnipeg grain exchange. So far as my constituency is concerned—

Mr. Ross (Souris): On a question of privilege, I have never yet said a word in the House of Commons on behalf of the Winnipeg grain exchange, and I am on record as moving a resolution to abolish it, if possible.

Mr. Cruickshank: I accept the apology of the hon. member for Souris. In my riding we are not in favour of the Winnipeg grain exchange, and we do believe in a natural products marketing act. Let me point out to the Minister of Agriculture that we in the Fraser valley of British Columbia are not satisfied. I do not agree entirely with the hon. member for New Westminster (Mr. Reid) in what he has said about the grain supplied to our poultrymen. It is not my view that the prairie farmers get all the benefit. Unfortunately it goes to the exploiters in between, including those who collect the freight rates.

I do agree with the hon. member however —and perhaps it is not a popular thing to say from a political standpoint—that Great Britain might remember just a little bit more the country which, with all due deference to what they did over there on our behalf during the war, came to their aid to the extent of three billions of dollars. And no class in the Dominion of Canada did more than the farmers of this country by way of sacrifice to see that that large sum was provided.

I am informed through the press—I do not believe all I see in the press unless it is complimentary to myself and then I am quite in accord with it—that the minister stated at Kelowna that he was in favour of and would introduce a dominion marketing act. I can assure him that if that report is correct he will have the one hundred per cent support of the member for Fraser Valley. I hope he will bring it down at this session so that the farmers in Canada will get their just rights.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I had not intended to speak on the resolution, but as several other hon. members have spoken I should like to say a few words. The general position of this group was placed before the house by the hon. member for Dauphin (Mr. Zaplitny) and I am not going to take up time by repeating what he said. There are one or two aspects of the demand for national marketing legislation which particularly concern some of my constituents.

First of all I must say that I agree with much of what the hon. member for New Westminster (Mr. Reid) had to say with reference to the position in which the poultry producers find themselves at this time. The same situation which he said was developing in the riding of New Westminster is developing in the riding of Kootenay West. Many people are going out of poultry production because under the terms of the special products board's contract they cannot produce eggs at a profit, especially during the last year with the increased price of grains.

That is a serious situation to a great number of these people who have invested several years of hard work and in some cases considerable money in building up poultry farms. I do not believe there is any other section of agriculture that is in such an unstable position. I sympathize with the poultry producers because I am under the impression that, owing to the smallness of their number and organization as compared with the grain growers and beef producers and so on, their voice is not listened to in Ottawa to quite the same extent. Before proceeding to say a word or two with regard to the fruit industry I wanted to point out to the minister the serious situation that is facing many of the poultry producers in British Columbia.

For five or ten minutes I am going to speak, not only as a member of this house but as a pioneer settler in the district from which I come, as one who has been connected with the fruit industry for over forty years and who has seen it develop—I am speaking of the apple industry now—from one that was able to ship only a few hundred boxes to one that had a total production of over 8 million boxes in 1947.

The demand for marketing legislation is not a demand by a few members of parliament who represent various parties. The hon. members who have spoken represent the points of view of the agricultural producers in their ridings. They are simply representing the urge and the wish, based on past experience, of the farm producers in their districts.

Experiments have been carried on in British Columbia for many years in developing marketing machinery and various forms of selling organizations. We fully expected that as soon as the war was over a natural products marketing act would come into being. There is a sense of disappointment throughout the fruit-growing industry that that has not happened, particularly at this session. The growers, and rightly so, were very expectant in that regard.

I should like to review the situation briefly, and in doing so I speak of the fruit industry because that is the industry of which I have the greater knowledge. What the growers are asking for is based on experience and knowledge. What they are asking the government to do is to pass legislation which will give them an opportunity to carry their efforts

into a wider field. They will do the work and they will see that the act functions.

The pioneers in my district started to plant orchards about 1905. There were a few trees planted before that, but I think it is safe to say that the commercial planting of orchards in the interior of British Columbia commenced about 1905. By 1916 we were producing about 1,000,000 boxes. In 1947 we produced approximately 8,000,000 boxes of apples. By that year peaches were up to about 150,000 packages; prunes, 1,000,000 packages and pears over 600,000 packages. That was a short period of time in which to see an industry build up to that extent from zero.

I can remember the early days quite well. For several years we found excellent markets in the local lumbering and mining camps and in the small villages throughout the district. In about five or six years, possibly by 1911 or 1912, considerable shipments were made to the prairies. For a few years we found sufficient outlet for our surplus apples on the prairie markets, apples going east as far as Winnipeg.

By 1913 or 1914 it became obvious to the fruit growers of the interior of British Columbia and to the officials of various organizations representing them that some form of orderly marketing was necessary. As a result of that realization the first large organization in British Columbia was formed known as the Okanagan United Growers. While that was its name its membership included the whole Kootenay group. That organization functioned for a few years, but not very satisfactorily owing to somewhat inexperienced management and the increasing need for marketing legislation.

In 1923 a larger organization was formed. A prominent United States citizen of that date, whose name I think was Aaron Shapiro, came to Kelowna to lecture us on the benefits of a large united co-operative movement. At that time I thought it was simply a waste of time and money, but he had the evangelistic spirit and as a result the Associated Growers of British Columbia was formed. That organization functioned for a few years fairly satisfactorily, but it was realized that voluntary co-operation alone was not sufficient to satisfactorily market the fruit and vegetables produced in the area.

By 1926 there was a growing demand for provincial marketing legislation. Organization meetings were held throughout British Columbia and growers expressed themselves as being definitely in favour of provincial marketing legislation. In 1927 the first provincial marketing act in Canada was passed in British Columbia. That act operated to a limited extent for about two years when it was declared to be ultra vires.

Then we come to 1934, when the federal government passed the dominion Natural Products Marketing Act. After two years, I understand, that act was declared to be ultra vires. In 1935 a new British Columbia act was drafted and passed and found to be sound law by the privy council. Since that date we have had no difficulty so far as the British Columbia legislation is concerned.

Out of that act developed the tree fruits board of British Columbia, and out of that board has been established Tree Fruits Limited of British Columbia. The authority upon which Tree Fruits Limited is based is twofold. First it receives authority for its organization from the tree fruits board, and secondly by virtue of the three-way contracts signed between growers, shippers, and Tree Fruits Limited. At the present time Tree Fruits Limited is the sole marketing agency in British Columbia for the sale of tree fruits. All this time it was realized that we would have to go further afield to achieve success.

In the matter of provincial legislation and co-operative organizations great success has been achieved. There is no question that the history of marketing in the interior of British Columbia is a credit to any group of growers, and a credit to the executives and officers who have guided and controlled the organizations throughout the years. Every problem has been approached in a constructive way. At this time I want to stress particularly that in British Columbia we have been most fortunate in having a particularly efficient, capable, and fine type of officials administering the fruit organizations.

Then the growing demand for a dominion marketing act arose. In 1938 the Canadian federation of agriculture asked the federal government for the first time to give effect to a dominion marketing act, and it has been asking for that legislation ever since. I believe when the first proposals were made by the Canadian federation of agriculture there was not unanimity throughout all Canada as far as agricultural producers were concerned, but owing to the experience of recent years, the realization of the benefits that accrued under the War Measures Act, and other wartime legislation, and the possibilities of development in somewhat different form for peacetime purposes, there has now been recruited, in support of dominion marketing legislation, the greater body of the farmers in this country.

Mr. Gardiner: If I may be permitted to keep the record straight on the matter, the hon. member has said that the Canadian federation of agriculture have been asking for it ever since. In 1938 they came before the government asking for a marketing act,

and they also did so in 1939. In 1939, however, we intimated to them that we intended to take control of the marketing of most farm products for the duration of the war under the measures with which we are dealing today in this act. From that time until the war ended, the Canadian federation of agriculture did not ask for a marketing act, but immediately the war was over they asked for it again.

Mr. Herridge: The minister is quite correct, but I think I was correct in so far as the desire and demand for an act was there. Like many other activities, however, it was suspended during the period of the war. In conclusion, Mr. Speaker, I want to stress, as I did on first rising, that this proposal is not a child of the members of the house. It is a grass-roots proposal that comes right from the farmers themselves. That has been very clearly demonstrated to me quite recently, as it has been many times before. Recently I attended a meeting of my own local of the Kootenay organization. There again a resolution was passed urging the adoption of a national marketing act. The British Columbia federation of agriculture held its convention in Kelowna on November 24 and 25, 1948. The delegates passed a resolution which I should like to read. It is as follows:

> Whereas the need for dominion marketing legislation is now more urgent than ever before as farmers face changing conditions with increasing production costs and declining demand for many of their products, and
>
> Whereas at a public meeting held at Kelowna, B.C., on May 17, 1948, the dominion Minister of Agriculture stated that the government was prepared to enact marketing legislation that would meet the demands of Canadian farmers;
>
> Therefore be it resolved that this 1948 convention of the B.C. federation of agriculture instructs the Canadian federation of agriculture to register an emphatic protest with the Canadian government against the unreasonable delay in introducing marketing legislation, which legislation is now recognized by all main political parties as being necessary and desirable.
>
> That, if unable to obtain from the government a definite promise that a satisfactory marketing act will be introduced at the earliest possible opportunity, the federation insist upon being given valid reasons for the ignoring of the wishes of the farmers of Canada by failure on the part of the government to furnish them with a legal basis upon which the marketing of their products could be stabilized.

That resolution was carried unanimously. Since that meeting I have had the opportunity, with the member for Yale (Mr. Jones), to attend the meeting of the Canadian horticultural society and I am sure he will endorse all I am saying here today. At that meeting we heard the disappointment expressed by the delegates attending it representing fruit interests from the Atlantic to the Pacific. I am not quite sure of the terms of their resolution, but they adopted one expressing their disappointment with regard to the failure of the government to pass a marketing act, and urging that all parties be asked to declare their stand on the matter before the expected federal election.

I think this demand has been a matter of slow evolution. It is not legislation that is being asked for as a result of hasty and unconsidered action. It is the culmination of a long period of evolution, experience and practice in the marketing of agricultural products in this country, co-operative experience, experience with provincial marketing legislation, experience with war measures, experience with commodity agreements, and so on. As I have said before, I believe the people have laid the foundation for such legislation as a result of their own efforts, their own work, and their own experience. I urge the minister and the government to give consideration to their plea, and by so doing forge the necessary link between provincial and international marketing.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, I take part in this debate at the present time because I am anxious to place before the house the position of a great number of people who live in my constituency, and who are engaged in a particular form of agricultural pursuit, namely, that of the poultry industry. I do not think that it is exaggerating to say that there is no branch of agriculture which is facing greater uncertainties and greater difficulties at the present time than the poultry industry. It is because of the condition which has been produced that I wonder whether the result of the activities carried out under the Agricultural Products Act justifies the continuation of that act for another period of time. It was only a few years ago that representatives of the government toured Vancouver island urging various people to go into the poultry business, and urging poultrymen to increase their production. During the war the poultrymen co-operated in every possible way, and in the years succeeding the war every effort was made by them to increase production, and to produce eggs and other poultry products at a time when those products were most urgently required in the United Kingdom market, as suggested by representatives of the Department of Agriculture who traveled about the province.

As a result, egg production was increased from something like one million dozen before the war to as much as eighty-nine million dozen during the war. An endeavour was made also to meet the desire of the department that early chicks be produced. This could be done on Vancouver island, because of our climate, but to do so it was necessary to expand plant, to construct different types of poultry houses, and so on, all of which

meant an increased outlay by the poultrymen. They constructed new buildings, invested in new types of equipment for breeding and hatching purposes, and also invested in new and better types of stock. After the war many veterans entered this business, investing their savings and gratuities.

About that time the cost of all materials began to rise; and even though it cannot be laid right at the door of the Minister of Agriculture (Mr. Gardiner), this government must take some responsibility for those increasing costs; the cost of living, the cost of construction materials, equipment and labour required for the additional buildings and to look after the increased flocks. Very shortly after that the price of feed began to increase. When the subsidies on feed grain were removed the price jumped $10 a ton. Freight rates have also gone up, as we all know. All these factors have contributed to the increased cost of the feed the poultryman on Vancouver island must purchase. So I do not think it is reasonable to suggest that the prairie farmer has been in any way unfair. I have lived on the prairies too long not to have the greatest sympathy for those farmers. In any event, the cost of feed has gone up, and that is a reality we must face today. I believe now it costs as much on the Pacific coast to purchase feed grain as it costs to buy No. 1 milling grain landed in the United Kingdom.

Then came the greatest catastrophe of all. After all the encouragement given the industry to expand, the government failed to obtain the same type of contract they had previously negotiated with the United Kingdom; in other words the United Kingdom began to curtail its purchases of poultry and poultry products. In the years 1946 and 1947 thousands of tons of poultry products were purchased by the United Kingdom. Now those purchases are being discontinued. Only a few weeks ago the Canadian poultry council stated that the United Kingdom had taken the entire surplus of poultry production ever since 1941; then they added these words: "Now our contracts are obscured by monetary difficulties." They urge the government to seek new markets other than those of the United Kingdom, in order to take care of what they describe as the $40 million worth of eggs now being produced.

Actually in the last two years the United Kingdom has been increasing her imports of poultry products, not from Canada but from such countries as Eire and Denmark. According to government statistics her total imports have shown an increase of 38 per cent in the first six months of 1948 as compared with the first six months of 1947. On the other hand imports of eggs from Canada have decreased. If, as we believe, our eggs are superior to those of other countries, surely some way can be found by which we may supply those excellent eggs to the people of the United Kingdom, who quite obviously are anxious to obtain poultry products since their total imports have been increasing.

Not long ago, I believe, the Minister of Agriculture announced that Canada's contract for this year had been reduced by something like thirty million dozen eggs. At the present time the special products board, which markets our eggs, has discontinued buying fresh eggs for shipment to Great Britain and is concentrating upon buying eggs for drying purposes. When the minister was asked by the poultry council about these wider markets to make up for the reduced market in Great Britain, he suggested that we were overproducing eggs, which was rather a change from the attitude taken by his department ony a few years before, when poultrymen were asked to increase their production. In a newspaper report appearing in the Vancouver *Daily Province*, coming from New Westminster, I find this statement:

> Present indications are that B.C. egg production this spring will not be sufficient to permit this province to participate in the 1949 contracts, said Mr. Gardiner.

That is discouraging to the poultrymen of British Columbia. If these contracts have been made with Great Britain, are the poultrymen of British Columbia to be prohibited from participating in them?

Mr. Gardiner: Just to keep the record straight, I did not make that statement.

Mr. Pearkes: I am merely quoting from a report in the *Daily Province*, and if it has misquoted the minister I am sure it will regret having done so. Perhaps later the minister will be able to explain what was his exact statement in that regard. Then the newspaper report goes on to say:

> The regular domestic and nearby export trade would take all the production from B.C. and permit the establishment of egg prices above those of a year ago.

I do not believe the domestic market in British Columbia can possibly take care of the production of eggs in that province.

Then we find a rather different note being sounded in another report from the Vancouver *Daily Province*, in which the minister is supposed to have been told:

> He—

that is referring to the minister.

> —had been told repeatedly Canada's egg production was far too high in relation to the market this country can hope for in the next few years.
>
> "There is danger in the quantity of eggs being produced at present," he said.

That is a complete change from the encouragement which was given only a few years ago. Still, the producer in British Columbia has difficulty in selling his eggs to the continental United States. It is my understanding that export permits still have to be obtained for eggs to be exported to the United States. I believe those export permits are given according to the percentage of the quota supplied by any particular producer.

The minister is again reported as saying that he sees no immediate likelihood of any change being made in the price of food. Quite obviously there is some reason for the concern which the poultrymen of British Columbia now have over the future. I do not think I am exaggerating if I say I think it is a sad state of affairs that we cannot distribute our goods to satisfy the needs of the people of the world. The reason seems to be that we are beset with quotas, licences, prohibitions and embargoes which hinder the free distribution of goods. There is also the monetary difficulty which now hampers production and distribution of our raw materials. This could be removed. It seems to me the sooner the government realize they cannot legislate or regiment Canada into an era of prosperity, the better it will be.

Mr. Gardiner: May I ask the date of the newspaper article in the *Daily Province*?

Mr. Pearkes: May I send it over to you? I find I have not the date on the article.

I should like to continue from the point I left off when interrupted by the minister. If the poultrymen of British Columbia are to be able to cover the overhead on their investment in trying to meet these requests of the department for increased production, then it is essential that production be maintained. I should like to put on the record what I think might be described as the average return which might be received from a first-class flock of hens. It will be a conservative estimate. Let us assume that a hen produces about $6.10 worth of eggs during the year. Feed in British Columbia for a hen that would produce eggs to that value would cost approximately $5.10, which would leave a margin of seventy cents to cover expenses and profit.

On motion of Mr. Pearkes the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Smith (Calgary West): May I say that I asked the Prime Minister if he would let us go on Friday evenings at six o'clock. I now change that request to ask if we could go tonight at six o'clock. We have made a great deal of progress this week and I wonder whether whoever is leading the house would consider adjourning now until Monday.

Mr. Fournier (Hull): I was informed this afternoon that there was some objection to adjourning at six o'clock. We would need the unanimous consent of the house to do so, and the government is prepared to accede if there are no objections.

Some hon. Members: Carried.

Mr. Fournier (Hull): Well then, we will adjourn.

Mr. Graydon: What will be the business on Monday?

Mr. Fournier (Hull): On Monday we will first take up the resolution under government notices of motion relating to Newfoundland. The second order of business will be Bill No. 12, an act to amend the statute law. When that is completed, we will take up the resolution we were discussing this afternoon, and when that is completed, the emergency resolution.

Mr. Knowles: Mr. Speaker, on the question of the order of business, was it not understood that when we finally completed everything in relation to Newfoundland we would return to the debate on the address?

Mr. Fournier (Hull): Perhaps there was some misunderstanding. After consulting my colleagues, I was told that a motion was made for government notices of motion and government orders to precede other business until the 18th of February. It was for that reason I suggested this order.

Mr. Coldwell: The minister will remember that, when this was discussed with me, there was a definite assurance that we would return to the address as soon as the Newfoundland matter was disposed of. That was the understanding I gave to my friends and the understanding upon which we agreed to defer the debate on the address.

Mr. Howe: Mr. Speaker, the Prime Minister will be in his seat on Monday. I suggest that Monday be devoted to the business that has been announced and that at that time a decision be made as to the business to follow.

Mr. Coldwell: So long as an attempt is made to clear up the matter.

On motion of Mr. Fournier (Hull) the house adjourned at six o'clock.

HOUSE OF COMMONS

Monday, February 14, 1949

The house met at three o'clock.

REPORTS AND PAPERS

Convention of the world meteorological organization, Washington, October 11, 1947.—Mr. Pearson.

Interim report of the organization for European economic co-operation.—Mr. Pearson.

Interim report of the Fraser river diking board for the period since its inception on July 22, 1948, to January 31, 1949.—Mr. Howe.

CANADIAN WHEAT BOARD ACT

AMENDMENT RESPECTING PAYMENTS TO PRODUCERS IN CHURCHILL AREA

Mr. P. E. Wright (Melfort) moved for leave to introduce Bill No. 17, to amend the Canadian Wheat Board Act, 1935.

He said: The only change made by this bill is to insert the words "or Churchill" in the appropriate place in two sections of the act, as underlined in the bill. The effect of this change will be to permit producers in the area accessible to the port of Churchill to get the advantage of the cheaper freight rate to Churchill, wherever such cheaper rates apply.

Motion agreed to and bill read the first time.

GAME EXPORT ACT

AMENDMENT AS TO ENFORCEMENT OFFICERS—OATH OF OFFICE TAKEN BY GAME OFFICERS

Hon. J. A. MacKinnon (Minister of Mines and Resources) moved the first reading of Bill No. 14 (from the Senate) to amend the Game Export Act.

Motion agreed to and bill read the first time.

CULLERS ACT

REPEAL OF CHAPTER 39 OF REVISED STATUTES

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the first reading of Bill No. 15 (from the Senate) to repeal the Cullers Act.

Mr. Cruickshank: Explain.

Mr. Abbott: One does not explain a Senate bill.

Motion agreed to and bill read the first time.

CHEESE

AMENDMENT OF CHEESE AND CHEESE FACTORY IMPROVEMENT ACT, AS TO PREMIUMS, ETC.

Right Hon. J. G. Gardiner (Minister of Agriculture) moved the first reading of Bill No. 16 (from the Senate) to amend the Cheese and Cheese Factory Improvement Act.

Motion agreed to and bill read the first time.

NEWFOUNDLAND

TERMS OF UNION WITH CANADA—ADDRESS TO HIS MAJESTY THE KING

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That, whereas by a memorandum of agreement entered into on the eleventh day of December, 1948, between Canada and Newfoundland, the terms of union of Newfoundland with Canada were agreed to, subject to approval by the parliament of Canada and the government of Newfoundland;

And whereas the terms of union provide that they shall come into force immediately before the expiration of the thirty-first day of March, 1949, if His Majesty has theretofore given his assent to an act of the parliament of the United Kingdom of Great Britain and Northern Ireland confirming the same;

And whereas the terms of union have been approved by the parliament of Canada;

A humble address be presented to His Majesty the King in the following words:—

To the King's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the House of Commons of Canada in parliament assembled, humbly approach Your Majesty, praying that you may graciously be pleased to cause to be laid before the parliament of the United Kingdom a measure containing the recitals and clauses hereinafter set forth to confirm and give effect to the terms of union agreed between Canada and Newfoundland;

An act to confirm and give effect to the terms of union agreed between Canada and Newfoundland.

Whereas by means of a referendum the people of Newfoundland have by a majority signified their wish to enter into confederation with Canada;

And whereas the agreement containing terms of union between Canada and Newfoundland set out in the schedule to this act has been duly approved by the parliament of Canada and by the government of Newfoundland;

And whereas Canada has requested and consented to the enactment of an act of the parliament of the United Kingdom to confirm and give effect to the

said agreement and the Senate and House of Commons of Canada in parliament assembled, have submitted an address to His Majesty praying that His Majesty may graciously be pleased to cause a bill to be laid before the parliament of the United Kingdom for that purpose;

Be it therefore enacted by the King's Most Excellent Majesty, by and with the advice and consent of the lords spiritual and temporal, and Commons, in this present parliament assembled, and by the authority of the same, as follows:

1. The agreement containing terms of the union between Canada and Newfoundland set out in the schedule to this act is hereby confirmed and shall have the force of law notwithstanding anything in the British North America Acts, 1867 to 1946.

2. This act may be cited as the British North America Act, 1949, and the British North America Acts, 1867 to 1946, and this act may be cited together as the British North America Acts, 1867 to 1949.

Schedule

(Full text of terms of union)

He said: Mr. Speaker, it is indeed a great honour to have the privilege of presenting to this house the House of Commons' part of a joint address to be presented to His Majesty to confirm the terms of union of Newfoundland with Canada. This is the final act in the proceedings required to be adopted by this house to bring about the union of those two countries. I am sure—and the applause which greeted me when I rose to present this resolution is confirmation of it—that all members of this house, and the people of Canada and of Newfoundland as well, appreciate the historic significance of this final act which we are now about to accomplish.

The terms of the resolution which you, sir, have read indicate that, agreement having been entered into, ratification by the parliament of Canada and the government of Newfoundland shall come into effect only if His Majesty gives royal assent to a bill of the parliament of the United Kingdom confirming it before March 31, 1949. I have already indicated to the house, and I shall summarize them briefly, the reasons for resorting to this form of procedure.

It is well known in this house and by the public that there were provisions in the British North America Act of 1867 looking to the union of Newfoundland with Canada and setting out the procedure which could conveniently have been followed at that time, and in fact for many years afterwards, to bring about that union—a procedure similar to that followed to bring about the entry into confederation of Prince Edward Island and British Columbia. This indication in the terms of the British North America Act was proof that those who had participated in the conferences which preceded it felt that the ultimate destiny of the people of Newfoundland was to come together with the people of the new dominion for which the British North America Act was to be the constitution.

When in 1946 and 1947 the proceedings were instituted which are now having their culmination at this time, the conditions were no longer such that the exact procedure provided for in the British North America Act could be followed. It would have required addresses from the houses of the Canadian parliament, addresses from the houses of the legislature of Newfoundland, and a proclamation by His Majesty on the advice of the United Kingdom privy council. There are two reasons why, after the lapse of eighty years, that procedure is no longer applicable.

First of all, the constitution of Newfoundland had been suspended in 1933, and there were no houses of the legislature of that colony. Second, on account of the developments which had been reflected in the terms of the Statute of Westminster, His Majesty no longer exercised the prerogative in respect to Canada on the advice of the United Kingdom privy council; he exercised it on the advice of his Canadian ministers.

The terms of section 146 of the British North America Act being no longer applicable, another procedure had to be resorted to. The precedent which had been set when the parliament of Canada decided to hand over the natural resources to the provinces of Alberta and Saskatchewan seemed to be convenient, and was selected as the one to follow in this instance. This procedure requires action by the parliament at Westminster, and that action I think is appropriate, not merely because it conforms with the precedent of 1930, but also because I believe it is the proper way to dispose of matters of common concern to Canada, Newfoundland and the United Kingdom.

Since 1933, when the parliament of the United Kingdom adopted the Newfoundland act of that year, the government of the United Kingdom has been responsible for the administration of and legislation concerning Newfoundland. While under the Statute of Westminster this parliament has equal rights with the parliament of the United Kingdom to enact legislation having extraterritorial effect, it would not have been proper for this parliament, by legislation of its own, to attempt to bring within its jurisdiction territory now under the legislative jurisdiction of the parliament of the United Kingdom.

There is a second reason why procedure not expressly provided for in the British North America Act was resorted to. If that procedure had been followed there might have been some question as to its legal effect. I am sure that the last thing anyone in Canada or Newfoundland would desire would be any possible doubt as to the legal effect of the terms of union as agreed to and confirmed.

Under the terms of the Statute of Westminster the action of the parliament of the United Kingdom cannot be effective in respect to Canada without joint addresses by our houses of parliament, because section 4 of the Statute of Westminster expressly provides:

> No act of parliament of the United Kingdom passed after the commencement of this act shall extend or be deemed to extend to a dominion as part of the law of that dominion unless it is expressly declared in that act that that dominion has requested and consented to the enactment thereof.

Of course no parliament sitting at Westminster would make a declaration of that kind in the preamble of a statute unless it had factual justification. The purpose of these joint addresses is to give the parliament of the United Kingdom factual justification for asserting in the preamble to the act to confirm this union that it is done at the request and with the consent of Canada.

This address will go to His Majesty as an expression, through their representatives in parliament, of the will of the people of Canada that union is desired and should take place. The terms of the address are self-explanatory. The house has already sanctioned the principle that there should be such an address, because it has approved the terms of union, the fiftieth of which is that they shall come into effect only if royal assent is given by His Majesty, within the time specified, to an act passed by the parliament of the United Kingdom. Therefore the requirement of an act of the parliament of the United Kingdom has been approved by the house, and the terms of the Statute of Westminster make it necessary, to achieve that end, that there should be the address which is now before the house.

I think it is proper to say that the government, the members of the house, and indeed the Canadian people, are all gratified to find that the matter of the union of Newfoundland with Canada has been dealt with so thoroughly, on such a high level, and with the unanimity witnessed in our proceedings during the course of the last week. It must be a source of satisfaction to those who will soon be our new fellow citizens in this nation that it was the common view of all parties in this house, representing all sections of the Canadian people, that it would be desirable to have the people of Newfoundland become associated with us. Of course the Canadian people have never really thought of Newfoundland as another country, and the fact that they are to become associated with us is, for all older Canadians, a source of particular satisfaction. We have in French a saying which goes like this: *Dis-moi qui tu hantes, et je te dirai qui tu es.* I was accustomed to thinking that the English equivalent was: Birds of a feather flock together, but it is really more than that. If I might venture to translate the French saying it would go something like this: Tell me with whom you are associated, and that will tell me what you are. We of Canada are happy that those who know the people of Newfoundland will be judging us by their knowledge of the sturdy qualities of those splendid people. I hope that the people of Newfoundland will be equally satisfied to be judged by what their new Canadian fellow citizens have been able to achieve during the eighty years which have elapsed since the original confederation.

As I said on a previous occasion in this house, there were many reasons for the close association between the people of Newfoundland and those of our own country—common origin, common adherence to the true principles of democratic liberty, common respect for the dignity of the individual, common abhorrence of any totalitarian or autocratic form of government. These links, derived from our common origin, from common development of our respective social orders, were greatly strengthened by the close association between the young men and young women of our respective peoples during the two great wars, and particularly during the last war. Many of our sons and daughters served with the young men and young women of Newfoundland, some of them in Newfoundland itself, others on the high seas with units of the Royal Canadian Navy based in Newfoundland. If I may be permitted to mention something quite personal, I feel particularly close to the people of Newfoundland by reason of the fact that, during the many months of my son's service in convoy duty on the Atlantic, the units of the Royal Canadian Navy with which he was serving were based in Newfoundland. What was my own experience during those days was the experience of thousands of Canadians. It created a relationship which makes the prospect of common citizenship with those splendid people one that is very pleasant to envisage.

I shall not attempt to summarize the great history of the sturdy people of Newfoundland, wresting their sustenance from the sea, as most of our people, in the early days, had to wrest their sustenance from the forests and the fields. Although there was a difference in vocation, the difference seems only to have created a close relationship between our two peoples. There is a great poet, E. J. Pratt, whom we claim as Canadian but whom Newfoundlanders claim to be a poet of Newfoundland; hereafter, though being a Canadian poet, he will at the same time be a poet of Newfoundland. We are familiar, as they

are in Newfoundland, with some of his verses. May I read a few lines of one of his poems. Speaking of Newfoundland the poet says:

Here the tides flow,
And here they ebb;
Not with that dull, unsinewed tread of waters
Held under bonds to move
Around unpeopled shores—
Moon-driven through a timeless circuit
Of invasion and retreat;
But with a lusty stroke of life.

The lusty stroke of life of the tides that ebb and flow around the island of Newfoundland is repeated in the hundreds of thousands of hearts that beat in the breasts of the people who inhabit that land. It is because we believe in that lusty stroke of life that we are so happy to have them join with us, and to have those who know them judge us by the people with whom we are to be associated. We know that we are receiving into our midst a people stalwart and sturdy, a people with that lusty stroke of life. We hope they feel that they are joining a young and vigorous nation; that by joining it and becoming a part of it they will further the progress of the nation, and that if they do so, they will be rendering a service not only to the Canadian people but also to the men and women of the whole civilized world, because in these times there cannot be too many nations of vigorous men and women truly imbued with the principles and ideals of free democracy. The strengthening of any of them is a service not only to themselves but also to all other lovers of democracy and freedom throughout the world.

Perhaps I might be permitted another personal comment. It is a matter of some satisfaction to me to see the people of that island, the ancestors of so many of whom came from another island in the north Atlantic with which my own ancestors had some connection, become Canadian citizens. I would not mention this if I did not feel that I was but one of thousands, indeed hundreds of thousands, in this country who have for those two islands in the north Atlantic a great admiration and affection.

In addition, I think it is something which all hon. members will feel I am entitled to regard as a reason for great personal satisfaction that on the very morrow of the day I assumed the responsibilities of the office of Prime Minister I was able to continue the work on which my predecessor had been engaged for so long, and to bring it to a successful conclusion. I am sure it will be a matter of satisfaction not only to the members of our party on this side of the house, but to most of the Canadian people, in view of what has been going on for the last decade and more, to be assured of continuity in the undertakings initiated by the government which has been in office over those years.

Therefore it is with understandable pride, sir, that I move that this address to His Majesty be approved by this house, and, together with that which I hope soon will be adopted in the other place, forwarded by you and the Speaker of the other place to His Majesty as the expression of our continued and continuing confidence in the value to free men and women of British institutions.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, it was very properly pointed out that when the terms of the agreement between Newfoundland and Canada were before this house last week there was striking evidence of unanimity in the desire of those who sit here as representatives of the people of Canada that the dream of the fathers of confederation should be fulfilled by the inclusion of Newfoundland within the boundaries of Canada, as they envisaged it in 1864 and in the later discussions which led to confederation. I have made it clear, and in doing so have expressed the desire of those who are associated with me, that Newfoundland should become a part of Canada on terms satisfactory to them and to Canada, and that everything should be done to avoid misunderstanding or discontent which might disturb the new relationship thus established.

I give place to no one in this house in my desire to see the fulfilment of the dream of those who laid the foundation for a great and united nation covering the whole of the northern part of this continent from the Atlantic to the Pacific. Without elaborating, I have indicated already certain reasons why it seems to me personally that there is a strong sentimental appeal in the thought of Newfoundland becoming a part of Canada. In every way possible—and I feel sure in this I am expressing the sentiment of those associated with me—I would hope to further the union and the spirit of unity of the people of Newfoundland and of Canada as a whole.

Last week we were called upon to deal with a very short bill which had the effect of approving the terms of agreement between Newfoundland and Canada, as settled on the one hand by the representatives of the Canadian government and on the other hand by those appointed to come here from Newfoundland to discuss the terms. Throughout the discussion it was clear that it was the principle of union that was under consideration, and so far as the principle of union was concerned there seemed to be no dissenting voice. In discussing this subject I pointed out that while there had been a great deal of criticism of the course followed in Newfoundland in arriving at the terms of the agreement, it was not for us as representatives of the people of Canada to tell the people of our

sister dominion what they should or should not do, or what they could or could not do in dealing with this subject. I pointed out that the relationship still is directly between Newfoundland and the government of the United Kingdom.

Today, however, we are dealing with the draft of a bill which is to be submitted for consideration to the parliament of the United Kingdom. Therefore the terms of that bill, the way in which it is drafted and the extent to which it conforms to our constitution are matters with which every hon. member of this house must be concerned in reaching a decision as to how he will vote on the resolution now before us.

As was appropriately said by the Prime Minister (Mr. St. Laurent) following the introduction of this resolution, there is a background of common history which brings the people of Newfoundland and Canada extremely close together, not only in geographical association but in ties of blood and the intimate contacts which were the result of many joint efforts during the war. The Prime Minister said that amongst our common traditions was an abhorrence of arbitrary action. I feel that this is something we should bear in mind. It is essential that in bringing about the fulfilment of the great vision of union we should do all in our power to prevent anything from happening which will fan the flame of discontent, either in Newfoundland or in Canada. That such discontent does exist, we all know. It is extremely important, therefore, that we examine carefully the constitutional aspects of the resolution now before us.

We start with the proposition that this house has clearly indicated its desire that Newfoundland become a part of Canada. There has been full evidence of the warm sentiments of those who sit in this house, as representatives of the people of Canada, toward the people of Newfoundland, whom they are anxious to welcome as their blood brothers and sisters in this great venture of confederation. At a time, however, when democracy and all the processes of democracy are being tested as never before, it is essential that we observe strictly the principles of democracy, and that in our desire to achieve the result we have in view, we do not disregard the constitutional background of this whole federal structure. In bringing about the fufilment of this desirable result, we should not establish any principle which might weaken the constitutional structure upon which the strength of this nation must depend in the years ahead. We should not tamper lightly with our constitution, simply on the ground that the results are much worth while.

Particularly is this so in the light of the fact that our basic constitution, the British North America Act, does provide a means by which Newfoundland can be brought into the confederation without any variation from the original terms which were settled in 1867. When I addressed this house on February 7 last, I used these words—and I quote from *Hansard* of that day, page 294:

> It must, however, be remembered that in the house we are called upon only to deal with the steps which Canada will take to bring about confederation. Except for any action by the Canadian government which has not been disclosed and is, therefore, not known to the members of the house, the procedure so far as Newfoundland is concerned is one which affects the people of Newfoundland in their direct relationship with the government of the United Kingdom. We may well regret that appropriate steps were not taken to assure that there would be no cause for any widespread feeling of bitterness or dissatisfaction, but it is not for us to tell the people of our sister dominion what course they should follow in their own dealings or in their dealings with the government of the United Kingdom.

At the time I made that statement and indicated our support of the principles we were then considering, we did not have before us the terms of the resolution which we are now discussing.

This country became a single nation by agreement of those provinces and colonies which have since entered the Dominion of Canada. They joined to settle the terms and they decided on a procedure by which the various provinces should come into confederation. As has already been indicated by the Prime Minister, the provision was perfectly clear; it is found in section 146 of the British North America Act, under the heading "Admission of other colonies". I think it might be well to read the part of that provision which refers to the procedure:

> It shall be lawful for the Queen, by and with the advice of Her Majesty's most honourable privy council, on addresses from the houses of parliament of Canada and from the houses of the respective legislatures of the colonies, or provinces of Newfoundland, Prince Edward Island and British Columbia, to admit those colonies or provinces or any of them into the union,—

There is a further part of the section which I need not read to illustrate the point I wish to make.

If a fully constituted legislative body had been in existence in Newfoundland, nothing more would have been required at this time than the addresses from the parliament of Canada and the legislature of Newfoundland. Upon the presentation of that joint address, no act of the parliament of the United Kingdom would have been required, because the terms of union would have become effective under the procedure simply on the advice of the privy council.

In this case, a different procedure is being followed. The Prime Minister has indicated that he feels it is a more appropriate procedure in any event, and he has called attention to the principle embodied in section 4 of the Statute of Westminster, a principle which is recognized in the very wording of the resolution now before the house. At the beginning of the paragraph, at the foot of the page of the order paper which contains the form of the resolution, we read these words:

> And whereas Canada has requested and consented to the enactment of an act of the parliament of the United Kingdom . . .

This wording was followed for a particular reason. Section 4 of the Statute of Westminster reads as follows:

> No act of the parliament of the United Kingdom passed after the commencement of this act shall extend or be deemed to extend to a dominion as part of the law of that dominion, unless it is expressly declared in that act that that dominion has requested, and consented to, the enactment thereof.

So far as Canada is concerned the provisions of section 4 of the Statute of Westminster have been complied with, as was pointed out by the Prime Minister, because it is stated that Canada has requested and consented to the enactment. But in section 1 of the Statute of Westminster we find a definition of the word "dominion" and the various parts of the commonwealth to which that term was to apply. Section 1 reads as follows:

> In this act the expression "dominion" means any of the following dominions, that is to say, the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, the Irish Free State and Newfoundland.

This section recognized the status of Newfoundland as a dominion, a status which was not changed by the temporary suspension of the legislative authority of Newfoundland by the act of the United Kingdom which appointed the commission of government. I doubt whether any member of this house would suggest that, if the commission of government were dissolved by a further act of the parliament of the United Kingdom, there would be any question that Newfoundland would be restored to the status of dominion which it held at the time the Statute of Westminster was enacted. If that be so, it would seem to me that Newfoundland also should have been in a position to indicate their request for and their consent to the procedure which was being adopted. But it is clear that they are not in a position to follow that course within the provisions of the Statute of Westminster. In the draft act contained in the resolution now before us we find these words:

> Whereas by means of a referendum the people of Newfoundland have by a majority signified their wish to enter into confederation with Canada . . .

Those words do not comply with section 4 of the Statute of Westminster; in fact it is impossible—

Mr. St. Laurent: Would the hon. gentleman allow me to call his attention to one of the last sections of the Statute of Westminster, which provides that sections 2, 3, 4, 5 and 6 shall not apply to Newfoundland unless adopted by a statute of Newfoundland? My information is that there never was any such statute.

Mr. Drew: As the Prime Minister knows, there was no opportunity for Newfoundland to deal with this matter, because at that time she was in difficulties; she was dealing with the government of the United Kingdom with the thought of intervention in regard to her domestic affairs, and had been doing so for some time before the actual passing of the act which appointed the commission of government.

As to the authority of the government of Newfoundland, we have no way of knowing now what an elected body in Newfoundland would do in regard to this matter, because there is no such body to deal with it. The situation is one which can be dealt with in various ways. Let us not be too much concerned with the strict letter of the law; let us rather be careful to recognize the feeling that is being expressed today in Newfoundland, and realize that this feeling will continue over the years unless those who express it believe they have had an opportunity to deal with the matter in the appropriate way.

Without referring to any particular part of Canada, I should like to say this. It will be recalled that vigorous contentions with respect to union were put forward in the maritime provinces after 1867, and it is not difficult to find that those arguments are still remembered. In fact they can be recalled by many people in the maritimes because of the feeling which carried forward in respect to some details of the procedure by which the union was completed at that time. In all those provinces, however, there were in existence legislative bodies to deal with the matter, and those legislative bodies faced the usual democratic tests. In so doing they had the opportunity to place before the people the reasons why they felt it was advisable that the course be followed which was put before them.

A few days ago we had certain discussions here in regard to the British North America Act and amendments thereto. The Prime Minister contended, as I recall his point of view, that it was not necessary that the provinces be consulted about matters which did not affect them, but that in cases in which they were affected, they should be consulted.

Hon. members will recall that following the radio address made by the Prime Minister, in which he had indicated that we should strive to provide for amendment of our own constitution without going outside of Canada for that purpose, I asked him whether it was intended to proceed with that matter during the present session, and he indicated that such was not the intention of the government. I also asked the Prime Minister if the provinces would be consulted when it was decided to proceed with that matter, and he said that they would. He has recognized the desirability of consulting the provinces about matters which affect our constitution, and the concern of the provinces about the sanctity of that constitution. In this case we have before us an amendment to the British North America Act. The draft bill, which is part of the resolution, says in section 2:

This act may be cited as the British North America Act, 1949, and the British North America Acts, 1867 to 1946, and this act may be cited together as the British North America Acts, 1867 to 1949.

This being so, we are called upon to adopt a resolution which has the effect of asking the government of the United Kingdom to amend the British North America Act by a majority decision of the parliament of Canada, without consulting the provinces. The question then arises whether the provinces have any interest in this subject.

The Prime Minister himself has made it clear that he believes the procedure being followed relates to the Statute of Westminster, and he referred to section 4 as explaining the procedure being followed by the parliament of Canada. As I have already indicated, the wording of the resolution conforms with the exact wording of section 4 of the Statute of Westminster.

The Prime Minister has pointed out that Newfoundland may not have carried forward all the formalities on their side, which in my opinion does not in any way affect what they might or might not do, if within the Statute of Westminster they had the legislative authority which defined their position as a dominion. And, in so far as we are concerned, I think we should remember that the provinces were conceded a very direct interest in the Statute of Westminster and were, in fact, consulted at that time.

Since this does raise what I believe to be a very important consideration, I would refer to the report of the Senate of Canada at the session of 1939, pursuant to a resolution of the Senate to the Hon. the Speaker by the parliamentary counsel relating to the enactment of the British North America Act, 1867, any lack of consonance between its terms and judicial construction of them, and cognate matters. In the printed report of those proceedings, at page 134, is a letter from the then premier of Ontario, the Hon. G. Howard Ferguson, who, in writing to the Prime Minister of Canada, put forward his views, and submitted an extensive memorandum discussing this subject, which memorandum is printed in full detail after his letter.

Mr. St. Laurent: That is at page 134 of the appendices?

Mr. Drew: At page 134 of the appendices, yes. It is described as annex 4. The letter written by Mr. Ferguson is not a long one, although the memorandum is of some length. That letter, dated September 10, 1930, addressed to the then Prime Minister, which I believe I should read, states:

My dear Mr. Prime Minister:

You will recall that in some discussions we have had with reference to the report of the imperial conference, and, in particular, the recommendations made in the report of 1929, I have endeavoured to make clear to you the attitude of the province of Ontario.

The conference appears to have ignored the fact that the confederation of the provinces of Canada was brought about by the action of the provinces. Our constitution is really the crystallization into law by an imperial statute of an agreement made by the provinces after full consultation and discussion. The province of Ontario holds strongly to the view that this agreement should not be altered without the consent of the parties to it.

On behalf of this province I desire to protest most vigorously against any steps being taken by the dominion government, or the imperial conference, to deal with the provincial treaty until the matter has been submitted to the provinces and they have had ample time to give the subject proper consideration.

To pursue the course indicated by the report of 1929 will not only greatly disturb the present harmonious operation of our constitution, but I fear may seriously disrupt the whole structure of our confederation.

Ontario is genuinely alarmed about the situation, and I earnestly urge upon you, representing the dominion, and through you upon the imperial conference, that this whole matter be left in abeyance until it can be dealt with in a proper manner, and to the satisfaction of the parties to the original compact.

I am enclosing to you herewith a memorandum which embodies in a brief form the story of confederation, together with the views of a number of public men who were leaders in the movement; the interpretation of the courts upon the status of the province; and the recent trend of the dominion authorities upon the question.

With the story as a background, I am sure that a perusal of the reports of the last two conferences will convince you that the provinces have ample ground for serious alarm.

Yours very truly,

(Sgd.) G. H. Ferguson.

Then the memorandum follows. The provinces which joined to form confederation agreed with the method set out in section 146 of the British North America Act. Later, following these submissions, the provinces were consulted in regard to the provisions of the Statute of Westminster. That being so,

it seems to me a principle was accepted which should not now be lightly disregarded; because the provinces have a very great interest in the manner in which the British North America Act can be amended.

This is not a question of a test between the parliament of Canada and the legislatures of the provinces. But it is based upon the belief that our federal system provides the best constitutional structure for Canada; and that the strength of Canada can best be assured in the years ahead, and the preservation of our democratic freedom can best be assured, if the terms of that constitution cannot be varied in any important way, except by consultation with those provinces which are so greatly concerned as to the respect for the terms of the British North America Act, as to their assurance of various local rights and customs which mean a great deal, and also as to the form of procedure which has proved so successful.

It is no longer a question of dominion rights in the sense of preserving the special rights of any province. This country has grown to its great stature today because of a federal system under which those provincial governments, with an intimate knowledge of their local problems and their local resources, were able to deal with those local problems and resources in the best possible way, and were able to bring to their development the many resources which they possessed.

It has been suggested already in the discussion which has taken place that this observation might apply more particularly to those provinces in a more favourable position. I sometimes wonder if it is forgotten that there is not a single province in Canada which has not advanced greatly since confederation in its cultural development, in the use of its resources, in the amenities of its life, under the laws which were given to the provinces under their exclusive jurisdiction by the terms of the British North America Act.

There are differences in the extent of the resources of the different provinces of Canada; but it seems to me that the emphasis upon the tremendous resources of two or three provinces in Canada overlooks the great background, the great achievement and great development before our eyes in every province of Canada today.

Just look at what is happening in different parts of western Canada at this very hour, and we see how new developments may come in the most unexpected manner by the encouragement of the use of the various resources which they possess.

In any event it is within the competence of the combined governments of Canada to bring into a common pool the whole economic power of this country for the development of every part of Canada without lessening the legitimate authority of any of the provincial governments or without weakening their ability to carry out the many great responsibilities they now have.

The provinces of Canada must all be concerned about any procedure which would lay it down as a principle that our constitution can be amended without consulting them. The line of distinction between those things which are exclusively federal and those things which are exclusively provincial is extremely difficult to draw and there is always that uncertain borderland of legislative and administrative responsibility which cannot be exactly defined. Wherever there is any doubt, misunderstanding should be avoided by bringing into consultation the governments of the provinces and making sure that they concur in the amendment proposed and in the method of dealing with a problem which is not in keeping with the original terms of the British North America Act.

It would not hold up the effective consideration of this subject by the parliament of the United Kingdom if the governments of the provinces were to be consulted now. If any of those governments feel in turn that they are called upon to consult their legislative bodies in respect of any aspect of this problem, it may be worth noting that all the provincial legislatures are now in session or will be in session within a matter of a comparatively few days. For that reason it is an unusually fortunate time to carry out a procedure which is consistent with the spirit of confederation and the way in which this constitution of ours was originally drafted.

I think the provinces of Canada should recognize the fact that if the British North America Act can be amended in this case simply by a majority decision of the parliament of Canada, then the British North America Act can be amended in any other case in the same way. It will be said: We would not think of doing that if some concern of a strictly provincial character were before us. Where in the British North America Act do you find a distinction drawn between those two cases? This is the constitution, the constitution under which Canada has become a great nation, a nation of which every one of us has the right to be extremely proud.

Amend the constitution today simply by a majority decision of the parliament of Canada, and you establish a precedent which tomorrow will lead to the amendment of the constitution, in respect to any aspect of that constitution, by some house of the future which might feel that was a desirable result. The challenge to democracy throughout the world

today is the challenge to prevent centralized power in the hands of any government. It is all very well for hon. members on the other side to have complete confidence, as some of them have.

Some hon. Members: Oh, oh.

Mr. Drew: I notice that they applaud the reservation I made.

Mr. Rowe: Only in the back benches.

Mr. Drew: It is all very well for some hon. members opposite to have confidence that under no circumstances would a principle of that kind be abused, and I am quite satisfied also that it may be a comforting thing to feel that the government at the time is so omniscient that it can interpret exactly the point at which no provincial government could feel concerned. But there are provincial governments which are concerned about this procedure and they have already indicated that concern.

For that very reason it is most unwise to establish a principle which if extended into the years ahead could mean that some other government, perhaps with belief in the all-powerful government state, would be able to use this precedent as justification for their centralization of authority without the checks and balances which have preserved our democratic system so well since 1867.

To consult the provinces now will not prevent a full examination of this subject within plenty of time. This is February 14 and there are still more than six weeks before March 31. There is no reason why this course should not be followed. There is every reason why it should be followed, because of the concern which has been expressed already in Canada as well as the concern which has been expressed in Newfoundland. This is a matter of great concern to Newfoundland because Newfoundland coming into confederation wants to be assured that the constitution which its people are called upon to adopt as the constitution of Canada will in fact be respected as the basic foundation of their rights, as it is so regarded by the provinces already within Canada.

No matter how desirable it may be to hasten any procedure, this is no time to take short-cuts which have the effect of lessening respect for the constitution itself. We must do nothing here which reduces our constitution to a mere scrap of paper, lessens its validity and decreases its sanctity beyond the support from time to time of the parliament of Canada of the day.

The procedure here is to amend the British North America Act, an amendment of great concern to the provinces of Canada and to Newfoundland. For that very reason, desirable though the object may be, this course should not be adopted. There is a way in which we can proceed with full recognition of the fact that this procedure departs from the provisions of section 146 of the British North America Act and seeks to carry those out in another way.

As I have already suggested, the proper procedure is to consult the provinces now. I move, therefore, seconded by the hon. member for Peel (Mr. Graydon), that the motion be amended by deleting the words:

> "A humble address be presented to His Majesty the King in the following words":—

and substituting therefor:

> "And whereas it is desirable that the government of Canada should consult with the governments of the several provinces in respect to the said matter;
>
> Now therefore be it resolved, that the government of Canada be required to consult at once the governments of the several provinces and that upon a satisfactory conclusion of such consultations 'a humble address be presented to His Majesty in the following words':—"

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, parliament has before it a resolution addressed to His Majesty the King asking for confirmation of an agreement which was unanimously adopted by this house. Perhaps I should qualify the word "unanimously" because I believe one voice, that of an Independent member of this house, was raised last week, when the motion was finally put, to call "on division". Consequently the amendment, which has just been placed before the house by the leader of the opposition (Mr. Drew), is an extraordinary one in view of the fact that last week all parties supported the agreement that was then before the house. It is, of course, a surprising move on the part of the official opposition. I suppose that none of us were quite prepared for a reversal of the opinion expressed by them last week in the House of Commons. That is precisely what it appears to me to be.

I do not propose to enter into a long discussion on the constitutional aspects of this particular matter. I want to say, however, that under the British North America Act, section 146, which was quoted by the leader of the opposition a few moments ago, the duty of parliament is expressly laid down. If we look at that section we find these words:

> It shall be lawful for the Queen, by and with the advice of Her Majesty's most honourable privy council, on addresses from the houses of parliament of Canada—

Our duty is to present an address to His Majesty the King expressing our desire as to what we think should be done in regard to the proposal for union. It is the duty of the government of Newfoundland to see to it that any other provisions of the British North America Act are carried out in accordance with the terms thereof. Someone has

truly said that at the moment Newfoundland has not a legislature; it has a government. The legislature was set aside with the consent of Newfoundland, and a commission of government set up in 1934. Incidentally, may I add that the Statute of Westminster had then been in effect for several years, and up to that time the legislature of Newfoundland had the opportunity to say whether or not it wished to come within the provisions of that statute. The powers of the legislature, however, were placed in the hands of the parliament of Great Britain. It is for Great Britain now, as trustee of that legislature, dominion, colony, or whatever you want to call it, to decide whether or not it is in the interests of Newfoundland. I say that, so far as we in Canada are concerned, whether or not we agree with the method that was adopted in Newfoundland to bring about the agreement, our duty is to see that, in supporting the address, we are doing what is in the best interests of Canada. Because I believe that is so, I think we should proceed with the voting of the address.

In 1934, as I have already said, the status of Newfoundland was changed at the request of Newfoundland herself, but was there ever more democratic procedure than that which was followed in relation to the entry of Newfoundland into confederation? As there was no legislature, it is quite conceivable that the parliament of Great Britain, of its own volition, might have exercised all the powers conferred on the legislature, but it did not do so. The commission exercised the powers of government in Newfoundland on behalf of the United Kingdom, and called together a convention representative of many interests in the island. The convention decided there would be a plebiscite, and a plebiscite was held. Responsible government was defeated on the first vote, and on the second vote the majority of the people, whether or not the majority was small or large, voted for confederation with Canada. Consequently the parliament of Great Britain is reinforced by the voice of the people of Newfoundland expressed in a plebiscite.

There is one other point I should like to mention. I did not intend to talk about this subject this afternoon, and I am surprised that it came up. The leader of the opposition should have introduced his amendment at an earlier stage, if it was a proper thing to do. He would have saved the time spent in discussing this matter last week. The leader of the opposition has seen fit, however, to introduce another reference to the British North America Act. He now contends that Canada cannot enter into an agreement of this kind, and by the same token I imagine of almost any other kind, without the consent of the provinces. I do not know whether the leader of the opposition means the consent of all the provinces, or the consent of the majority of the provinces, or whether he means that, if one or two provinces oppose any such agreement, it cannot become effective. He did not say. If there were disagreement among the provinces in regard to a matter of this sort, where would it then rest? I do not profess to be a constitutional lawyer. All I profess is to be able to understand the English language, and to be able to interpret what the English language means from the point of view of an ordinary individual who speaks and reads it.

Section 91 of the British North America Act, I think, makes it very clear. It is headed "Powers of Parliament", and I take it that this House of Commons together with the other place constitutes the parliament of Canada. It reads:

> 91. It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order and good government of Canada in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces; and for greater certainty, but not so as to restrict the generality of the foregoing terms of this section, it is hereby declared that (notwithstanding anything in this act) the exclusive legislative authority of the parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated . . .

Then follows that list, and at the end of the list these words:

> And the matter coming within any of the classes of subjects enumerated in this section shall not be deemed to come within the class of matters of a local or private nature comprised in the enumeration of the classes of subjects by this act assigned exclusively to the legislatures of the provinces.

Then we get the matters assigned exclusively to the provinces; and among those matters I cannot find that they have any part in considering and approving an agreement of the description now before us. Consequently I say this is an extraordinary constitutional view the leader of the opposition (Mr. Drew) has introduced this afternoon, and so foreign to what I understood he believed before he came to this house. As the leader of the opposition was reported in the *Globe and Mail* of September 8, 1937, I find he said this:

> We have strayed a long way from the path laid down by the fathers of confederation. The strong central government which the provinces sought to create is hamstrung by petty politics.
>
> All the constitutional difficulties which now prevent the adoption of effective and urgently necessary social legislation can be overcome without waiting for amendments to the British North America Act if there is any sincere attempt at co-operation.

I am going to quote the whole thing:

> The provinces created the dominion. The dominion did not create the provinces. If we are to

have strong government, capable of meeting suddenly changing conditions, the provinces must take the first step.

That is, to meet the changing conditions.

They united to form the Dominion of Canada.

And I want to draw particular attention to this:

It was their intention that there should be one strong government capable of dealing promptly with all problems of a national character.

I ask you, Mr. Speaker: is not the matter now before us a problem national in character?

It was their own wish that the provincial governments should deal with problems of a purely local nature.

Is this problem before us today of a purely local nature? I think not.

Now we have reached a position as a result of endless constitutional appeals to the privy council, where no one really knows where the ultimate authority does rest in many fields of legislation.

Then these words:

We must decide whether we are one nation or nine —whether we are Canadians or not. The constitutional revolution in Alberta is only an advanced form of the disease of exaggerated provincial independence which has been spreading throughout Canada for years.

Well, if ever I heard in this house a suggestion which seemed to me to be in line with exaggerated claims of independence, provincial independence or provincial rights, it is the claim just made by the leader of the opposition. This is a matter which must be decided by this house; and I am positive that the people of Newfoundland, even those who disagree with the manner in which this agreement was placed before this parliament, will agree that in discussing and dealing with that agreement last week this house followed all the democratic and constitutional procedures, and that today we are doing precisely the same thing in discussing the resolution now before us.

I wanted to say that, because we have an extraordinary proposal in the amendment now before us, for which I can see no sanction in the constitution of our own country.

Surely the matter now before us, the entry into confederation of Newfoundland, brings into bold relief the necessity for the provinces and the dominion coming together as men of good will, regardless of party feeling or party affiliation, to see how we can modernize our constitution and bring it more into relation with the times in which we live. We have a constitution that was written by the fathers of confederation in 1867 and which from time to time has been interpreted by the privy council. That interpretation by the privy council usually has been to detract from the powers of this parliament and place more power in the hands of the provinces. In Professor A. R. M. Lower's "Colony to Nation", I read a very interesting account of why that came about, which I think perhaps is worth mentioning. Lord Watson began the kind of judgment which reduced the central power; and Lord Watson was a law student in the office of a gentleman named Judah P. Benjamin. This Judah P. Benjamin was a secretary of the confederate states, fighting for states' rights and to undermine union in the United States. He fled the country and went to England, where he established a law practice which soon became very large. He taught the constitutional views he held, which were those of the confederate states rather than of the fathers of confederation.

Again, speaking entirely from memory, I would mention some of Lord Elgin's letters. The one to which I am going to refer I read several years ago—I was going to say many years ago—and I have not read it very recently, but I think it is recorded in "The Makers of Canada." If you will read that letter you will find that Lord Elgin said he was very glad indeed the fathers of confederation did not follow the American system of federation, because that system placed all the residuary powers in the hands of the local and sovereign states. Our constitution did the reverse, and he thought we had a better constitution than that which had been written in the United States. That was Lord Elgin's considered opinion.

But surely the day has come when, instead of having this sort of constitutional discussion in this house and apparently not knowing where we stand in relation to some of these important matters, we should settle some of these constitutional differences by men and women of good will representing all the legislatures and the parliament of Canada agreeing, even before going into such a conference, that the minority and cultural rights that were written into our constitution will be preserved in any constitution we adopt. Apart from that, I think we should consider ways and means of bringing our constitution up to date.

In passing, may I say that throughout the country today there is a great deal of criticism of the constitution as it affects these two houses of parliament. The finger of scorn is pointed at the other place because, for thirteen years at least, no appointments have been made to that house to represent the sixty per cent of the voting population of this country who are represented on this side of the house. This brings the other place into disrepute. As my hon. friends know, we have always urged the abolition of the Senate. Perhaps I should qualify that by

saying I know of the difficulties in abolishing the Senate, in its present form in any event, and the difficulties in reforming an institution which has far more power today than the British House of Lords, whose powers were shorn by the Parliament Act of 1911, and are about to be shorn still further in the interests of democratic procedure. We have an archaic institution which, as I say, brings this whole parliament, Commons and Senate, into disrepute.

I intended this afternoon to deal to some extent with other aspects of our constitution, but I am not going to do so. I will change what I intended to say and more or less let rest what I have already said. I feel that, at the moment, the challenge this amendment places before the house is indeed grave. It is a grave challenge to the rights of this parliament under the British North America Act. It is a grave challenge to the constitutional procedures that have hitherto been adopted in this country. If we agree that, in a matter of this description which does not touch the provinces except as component parts of this dominion, we are going to say that one province perchance may say no or the majority of the provinces perchance may say no, or two-thirds of the provinces perchance may say yes and one-third say no, then we are placing our constitutional procedure in this country in a state of chaos. For who then shall make the decision? I do not propose, Mr. Speaker, to take any part in bringing about chaos in this country at a time when chaos is dangerous for freedom and democracy in many parts of the world.

I want to see our procedures properly carried out. I want to see this democratic institution operate in a democratic manner. I want to preserve it. In 1936, I remember, my hon. friend the leader of the opposition sang a different song from the one he now sings. He then said that we in this country were in grave danger, and he pointed out that there was a growing fascism in the province of Quebec. Having read that, I presumed the growing fascism in Quebec at that time was the election of Mr. Duplessis as premier of that province, with the padlock law and the kind of labour code about which we have been hearing recently. So then, Mr. Speaker, so far as I personally am concerned—I have not been able to consult my friends but I rather expect I speak for them in this regard—I shall oppose the amendment and support the resolution for the address to His Majesty.

Mr. Solon E. Low (Peace River): Mr. Speaker, we have now reached the final stage, so far as this house is concerned, in the process of bringing into confederation the new province of Newfoundland. At this time, I do not intend to launch upon any extended expression of ecstasy over the high qualities of the people of Newfoundland or of their country, because I have already placed on the record how this group regards the people of that country. We are very happy that Newfoundland has expressed, in the only way it had at its disposal, a desire to join with us in confederation. We want to bring them in on terms that are satisfactory and that will leave no room for unhappiness at any time in the future.

I must confess, Mr. Speaker, that, as I listened to the arguments presented by the leader of the opposition this afternoon, I was much moved because I found that those arguments were exactly the arguments that this group has been using in this house ever since we came here. If you look back through *Hansard,* you will find at least twenty-five different speeches, if not more, given by members of this group expressing views almost identical with those stated by my hon. friend the leader of the opposition this afternoon. Now, whatever the past sins of the leader of the opposition may be, I must say that in respect to his concern over the constitution and the rights and privileges of the provinces of this great dominion, he is now back on the right track. I will challenge anyone to look back over any statements we have made, on the hustings, in this house or anywhere else, that will give the lie to what I have just now been saying about our position.

I regarded as completely specious the arguments made by the leader of the C.C.F. party this afternoon concerning the case put by the leader of the opposition. In this house, at this time, we are not concerned over what Newfoundland does, but the provinces of Canada are certainly concerned about the kind of bedfellows they have. I do not say that in any derogatory sense. Surely the provinces who occupy the bed should have something to say about any other bedfellows who wish to come in. The provinces of Canada already occupy the Canadian bed. We contend that those Canadian provinces, since they will be very vitally affected by anything that is done about sharing the bed, should be consulted.

I do not think this position is any grave challenge to our constitution at all, as was contended by the leader of the C.C.F. If we have been following a certain procedure over the years and that procedure has been wrong, then certainly there is no justification for continuing to follow it merely because we followed it in the past. So far as I can see, the argument presented by the leader of the C.C.F. is the typical argument that a centralizer would advance. We are not centralizers. We have always been and shall always

remain, jealous of the rights and authorities of the provinces of this great dominion. If there never has been laid down a procedure by which constitutional amendments can take place, a procedure which will preserve the rights of the provinces, then I say it is high time it was done. Perhaps this amendment provides the starting point from which such a procedure can be built.

I am not afraid to say what I would do as to the number of provinces that should consent to the bringing in of another province. If the reference mentioned in this amendemnt is placed before the provinces, I think it is reasonable to say to them that if two-thirds of the provinces express their desire to support this resolution, then the wishes of those two-thirds will be made the rule for Canada. I think that is the arrangement that is adhered to in the United States. But my opinion may not be the opinion of the provinces. Let them say. We are waiving even in this resolution one further safeguard to the constitution, and that is reference to the people themselves. That is a further safeguard that is used in the United States. I do not think it is at all unreasonable to consult with the provinces and to ask them for their support in laying down a procedure for future constitutional amendments. If two-thirds of them, or any other fraction agreed to by the provinces themselves, indicate their support of this resolution, on the terms that have been set out in the bill, I think the decision should be binding upon the whole of Canada. The precedent would then be established for governing future constitutional amendments.

I do not think there is anything further I should say at this time, except this one thing. When the leader of the C.C.F. says that it is time that we reviewed our constitution and laid down some procedure for bringing it more into line with the times in which we live, I should like to say that I have never been able to see why in the world anyone should be in a hurry when he is on the wrong road. Let us be sure that we are on the right road before we move, especially in regard to a matter that affects the rights and privileges of provinces that certainly have been given a good measure of autonomy under the British North America Act. I intend to support the amendment.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, the debate last week was remarkable for three things. One of them was the unanimity with which the members of this parliament, representing all the people of Canada, expressed their views on this subject, and the good will and the good spirit with which the debate was conducted. The second thing for which the debate was remarkable was the fact that the complex matters contained in the terms of union were thoroughly discussed, questions were raised and answered, and in the end there was still unanimity on both the substance and the form of the terms. This, I think, reflected great credit on the soundness of the position taken by the government of Canada and also on the way in which the negotiations had been conducted. The third remarkable feature was this. I believe I speak not only for hon. members on this side of the house but also for some others—

Mr. Cockeram: The C.C.F.

Mr. Claxton: —when I say that the events of the week were remarkable for the way in which one man led the debate on this subject and achieved a performance unsurpassed in this house during my eight years in parliament. I refer to the Prime Minister of Canada (Mr. St. Laurent). He showed himself to be a great parliamentarian and a great constitutional lawyer. He showed himself to have a grasp of this subject unequalled, I believe, in any part of Canada. He showed a frankness and a fairness that must have won the admiration of my hon. friends opposite, as it won ours. In the former Prime Minister, the member for Glengarry (Mr. Mackenzie King) and the present Prime Minister who succeeded him, we have two men whose names, in the minds and hearts of the people of Canada, should be added to those who will be recognized throughout the years as indeed the fathers of confederation.

It is a matter of some regret that the unanimity with which our deliberations were conducted last week seems to have been broken by the course followed today by the leader of the opposition. At the outset, may I say that I regard it, as did the hon. member for Rosetown-Biggar (Mr. Coldwell), as a challenge to the very concept of confederation itself, to the place of Canada as a nation, and to the rights of this parliament to deal with matters that affect all the people of Canada.

On the concept of confederation, I will not weary hon. members with numerous quotations. But I will give just those which I believe state, more authoritatively than any that can be found anywhere else, what the fathers of confederation intended when they adopted the Quebec resolutions which led to the act of confederation itself. I refer to the confederation debates, at page 27.

Mr. Diefenbaker: Of what date?

Mr. Claxton: The year 1865. I am quoting from the confederation debates, page 27,

where Sir John A. Macdonald, then attorney general, had this to say:

> . . . if we wish to form—using the expression which was sneered at the other evening—a great nationality, commanding the respect of the world, able to hold our own against all opponents, and to defend those institutions we prize: if we wish to have one system of government, and to establish a commercial union, with unrestricted free trade, between people of the five provinces, belonging as they do, to the same nation, obeying the same Sovereign, owning the same allegiance, and being, for the most part, of the same blood and lineage: if we wish to be able to afford to each other the means of mutual defence and support against aggression and attack—this can only be obtained by a union of some kind between the scattered and weak boundaries composing the British North American provinces.

Then he went on to describe the main provisions, terms and intent of that union, and he said this:

> Ever since the union was formed—

He was referring to the union in the United States.

> —the difficulty of what is called "state rights" has existed, and this had much to do in bringing on the present unhappy war in the United States.
>
> They commenced, in fact, at the wrong end. They declared by their constitution that each state was a sovereignty in itself, and that all the powers incident to a sovereignty belonged to each state, except those powers which, by the constitution, were conferred upon the general government and congress. Here we have adopted a different system. We have strengthened the general government. We have given the general legislature all the great subjects of legislation. We have conferred on them, not only specifically and in detail, all the powers which are incident to sovereignty, but we have expressly declared that all subjects of general interest not distinctly and exclusively conferred upon the local governments and local legislatures, shall be conferred upon the general government and the legislature. We have thus avoided that great source of weakness which has been the cause of the disruption of the United States. We have avoided all conflict of jurisdiction and authority, and if this constitution is carried out, as it will be in full detail in the imperial act to be passed if the colonies adopt the scheme, we will have in fact, as I said before, all the advantages of a legislative union under one administration, with, at the same time, the guarantees for local institutions and for local laws, which are insisted upon by so many in the provinces now . . .

And then finally at page 40:

> But any honourable member on examining the lists of different subjects which are to be assigned to the general and local legislatures respectively, will see that all the great questions which affect the general interests of the confederacy as a whole, are confided to the federal parliament, while the local interests and local laws of each section are preserved intact, and entrusted to the care of the local bodies.

I submit that there is the best and most authoritative contemporary view of what the constitution of Canada was intended to mean; and that is a view which I submit should appeal to, and must be maintained by, all who want to observe the constitution.

The leader of the opposition (Mr. Drew) has said that under our constitution Canada has grown strong, and that the constitution must be maintained. I agree that under the constitution Canada has grown strong, and that the constitution must be upheld. That is our view; we have no other view. But I would like him to say exactly how Canada has grown strong under the constitution so far as the accession of the provinces is concerned, the matter with which we are dealing today. I would like him to say this: Did Canada grow strong when Manitoba was joined into confederation in 1870? Yes. And were the provinces consulted? No; they were not consulted.

I would ask him whether Canada grew strong and was strengthened when British Columbia joined confederation by order in council in 1871—and there are hon. members in the house from every part of Canada, not only from British Columbia, who know how British Columbia has grown from a colony of less than 15,000 white people. Were the provinces consulted at that time? No; they were not consulted. And I can remember, too, how Prince Edward Island entered confederation in 1873, that island province which has since been one of the greatest jewels in the crown of confederation. And the premier of that province, the province in which, through the Charlottetown conference of 1864, confederation was started, is in this House of Commons today, listening to this historic debate. I ask again: Were the provinces consulted over the entry of Prince Edward Island? Again the answer is no.

Then I ask: Did Canada become strong when the great western provinces of Alberta and Saskatchewan were formed in 1905? It was done by act of the imperial parliament, and by the provisions of the British North America Act, just as was the inclusion of Manitoba. It was done by a provision amending the British North America Act, in exactly the same way that is being followed on this occasion.

Were the provinces consulted? The answer is again no. The only five precedents we have are in accord with procedure we are following today. This is no thin edge that is going to break the Canadian constitution. This is extending the hand of friendship and of good neighbourliness to our sister island to the east. This is bringing about the objective which all of us have had in our hearts and in our minds for so long. This is not a work of destruction; this is not a challenge to the Canadian constitution. This is an exercise of the rights of this parliament, within its constitutional rights.

If this parliament, having the opportunity to extend to Newfoundland reasonable and fair terms of union, said, "No, we will not do it; we must refer the matter to the provinces",

I suggest that we would then be denying our right. We would not be exercising the function of the parliament of a nation such as Canada, and we ourselves would be destroying the constitution.

In this connection I should like to draw the attention of the house to some of the consequences which might follow if the amendment of the leader of the opposition were adopted. What he has suggested is that this matter should be referred to the provinces. He said, if I recall correctly, that it would not hold up the consideration of this legislation by the United Kingdom parliament if the governments of the provinces were to be consulted now. If it would not hold it up, then I suggest that consultation would not be the serious step which any consultation of provinces must be—not only a matter of form—so that they might have the opportunity of voicing their views.

Where would we be if we made that reference today? What would happen if, for example, there were any authority whatever for the views expressed by the hon. member for Peace River (Mr. Low) that a two-thirds vote of the provinces should govern in the matter? That is an interesting suggestion; but there is no constitutional basis for it, I submit. And what would happen if two-thirds of the provinces, let us say seven provinces, which expressed their opinion in favour of Newfoundland entering confederation, included all the provinces except, let us say, Ontario and Quebec? There is no authority anywhere, and no precedent, for the exercise of a vote; yet if consultation means anything it must give the provinces an opportunity not only to exercise their views, but also to make their will felt in some way or another.

Such a reference to the provinces is not in accordance with precedent; it is not required by the constitution; it is not in accord with the interests and desires of the people of Canada who are represented here. Further, we must not forget that while all of us in the House of Commons respect the constitution, and regard it as containing the wisdom of the fathers of confederation, consecrated by the years and applied in practice—while that is to be respected to the full, it must not be taken that you can find from something not within the constitution anything which hamstrings the acts of this parliament as representing the nation.

The limitations on this parliament are contained in the constitution; they are written there. But outside the scope of the constitution this parliament has full sovereign power of nationhood, which it can exercise in accordance with the will of the people of Canada as they are represented in parliament. This parliament represents all the people of Canada within the sphere of matters conferred on it by the British North America Act.

The speech of the leader of the opposition faces us with this situation. We have had a debate lasting a week on the terms under which Newfoundland will enter confederation. That debate seemed to carry with it the agreement of hon. members opposite in every corner of the house. We discussed the terms, fifty of them, paragraph by paragraph, through five consecutive days. The debate achieved a high level and, subject to possibly one qualification, to which the hon. member for Rosetown-Biggar (Mr. Coldwell) has referred, it seemed that the terms of union received unanimous consent of this house.

Mr. Gagnon: I said "on division".

Mr. Claxton: There was only one dissenting voice, that of the hon. member for Chicoutimi (Mr. Gagnon). If there were any others, I did and do not hear them. We debated this matter for a week; we discussed all the details and the point now raised by the leader of the opposition was not raised at all. Anyone listening to the debate throughout the week would have taken the view that the leader of the opposition and the Conservative opposition, as well as all hon. members opposite, except one, were in favour of this as a great forward step in the long history of confederation. Now that this point is raised I hope that it can be disposed of so that we may get on with the work of completing the story of confederation and making Canada one great nation "from sea to sea and from the river unto the end of the earth".

This is a step that has been worked for since 1864 and before that. It has been worked for by a long line of statesmen, our forefathers. They have worked hand in hand with our brothers in Newfoundland. Now at last in consequence of the free vote of the Newfoundland people terms of union have been negotiated which appear to appeal to this house as being fair and generous. They have been adopted by this house and are now up for consideration in the other place. Were we wasting our time last week when we adopted the terms of union? I suggest that this move comes rather suddenly and I think it will cause us to follow with the closest possible interest any further explanation.

With the delegation from Newfoundland we have worked out terms which we regard and which they regard as being fair and just for the entry of Newfoundland into confederation. It has been suggested—I was glad indeed to see that the leader of the opposition did not follow the suggestion—that we were wrong in negotiating the terms before responsible government had been restored in

Newfoundland. In that connection I should like to say a word or two, because it is a point on which there has been some controversy. I should like also to express to hon. members opposite appreciation of the fair attitude they have taken.

The fact is that by the Statute of Westminster Newfoundland was given the status of a dominion and had conferred upon it the various provisions, provided the necessary steps were taken to bring her under those terms. In point of fact sections 2, 3, 4, 5 and 6 of the Statute of Westminster were never applied to the colony of Newfoundland.

Mr. Drew: I know the minister wishes to be correct, and I would point out that section 1 is the section which states that Newfoundland is a dominion. Section 10 relates to certain things that flow from that. Section 1 was not one of the sections included in section 10, which described it as a dominion.

Mr. Claxton: That is quite right; it was described as a dominion. I do not challenge that; I do not say anything to the contrary. But I do say that the provisions of sections 2 to 6, inclusive, of the Statute of Westminster were never made applicable to the colony of Newfoundland because the Statute of Westminster was never adopted by the legislature of Newfoundland.

The leader of the opposition suggests that there was not time within which to do it, but I would point out that the Statute of Westminster came into effect on December 11, 1931, and the government of Newfoundland was not changed until the commencement of 1934. In the interval there was ample time for Newfoundland to have adopted the Statute of Westminster, had she wanted to do so.

Mr. Drew: During which time the commission of inquiry was sitting.

Mr. Claxton: The facts are just as I have stated them. In consequence the Statute of Westminster had absolutely no effect on the constitutional position of Newfoundland. I am informed that that was recognized at the time of the abdication of Edward VIII when reference was not made to Newfoundland for legislation when it was made in the case of the other self-governing dominions.

I would point out that sections 2, 3, 4, 5 and 6 of the Statute of Westminster are made applicable to a dominion only if that dominion has adopted the provisions of section 10, and that was never done by Newfoundland although she had two years within which to do it. Consequently I do not believe that there is anything to be said for the argument advanced by my hon. friend.

[Mr. Claxton.]

The position of Newfoundland was altered in 1934 when the powers of its two houses were vested in a commission. From that time on, the powers of the legislature have been exercised by the commission. I point out that the opportunity for the return of responsible government to Newfoundland was promised by the government of the United Kingdom at such time as the affairs of Newfoundland might be in order, and subject to the will of its people. Following that an election was held for the appointment of forty-five representatives to the commission which was set up to discuss the position of Newfoundland. After discussion they decided to have a referendum on two subjects, whether they would have responsible government or a continuation of the commission form. Some seventeen out of the forty-five representatives voted also for the inclusion of a reference to the people of the subject of confederation. Consequently a referendum on the three questions was ordered by the British government, and it was expressly provided at the time that, if a majority of those voting did not vote in favour of any one of the three alternatives, there would be a second vote. A first vote was held, and there was not a majority for any one of the three. Then there was a second vote, and a majority of those voting voted in favour of entering confederation with Canada.

That was done by the action of the British government. The decision was made by the will of the people of Newfoundland. The British government needs no defence, but I submit that quite obviously they extended to the people of Newfoundland the possibility of having responsible government as well as the other two propositions. In other words, by allowing the people of Newfoundland to make their own choice the British government completely discharged its obligation to the people of Newfoundland.

As the leader of the opposition (Mr. Drew) said, however, that is not so much our concern, although if we had felt there was anything unfair about the way in which it was done, we would not have followed through with it. What we wanted to do was to respect the decision of the people of Newfoundland, and to enter into confederation with them on terms which appeared to be just and generous to both sides.

Following the decision of the majority of the people voting in the referendum, a delegation came to Ottawa under the chairmanship of a very distinguished citizen of Newfoundland, Mr. Walsh, now Sir Albert Walsh. He had been vice-chairman of the commission of government. He had not indicated where he stood. The delegation included six others appointed by the Newfoundland

government. It is quite fair to say, without any breach of confidence, that some of the delegation were in favour of joining Canada and some were not. They represented their country in all fairness. They fought hard for what they considered to be just and reasonable terms, and then all but one of them signed the agreement which we are now seeking to implement.

I should like to pay my tribute to all seven of those gentlemen for their fairness, and the tenacity with which they represented the views of their people. I believe they would also agree with us that the terms are just and reasonable. Otherwise they would not have signed. It is those terms which are now being put forward by the parliament of Canada to the parliament at Westminster for the needed ratification.

I should like to quote from the remarks of one of the Newfoundland delegation, a lawyer, one of those gold medallists of Dalhousie university to whom reference was made by the hon. member for Halifax (Mr. Dickey) last week. He represents many important clients in Newfoundland. I refer to the speech of Mr. John B. McEvoy, K.C., on this subject, made at the Ottawa Canadian Club last week. As he had been chairman of the convention, his remarks have particular significance, and I believe great importance, in this connection. In his speech he said:

> In view of allegations repeatedly made to the contrary, I want to make it perfectly clear that neither Canada nor any Canadian participated directly, or indirectly, in the recent decision of the people of Newfoundland to seek union with Canada. On July 13, 1943, the then Prime Minister, the Right Hon. W. L. Mackenzie King, O.M., stated on the floor of the House of Commons that any idea of bringing Newfoundland into confederation must initiate "on the part of the people of Newfoundland rather than on the part of members of this house, certainly at this particular time. If the people of Newfoundland should ever decide that they wish to enter the Canadian federation and should make that decision clear beyond all possibility of misunderstanding, Canada would give most sympathetic consideration to the proposal."

Then Mr. McEvoy went on:

> This position was scrupulously maintained by the government of Canada all the way throughout, until the decision was reached by the people of Newfoundland and formal request was made by the government of Newfoundland to the government of Canada to receive a delegation from Newfoundland for the purpose of negotiating the terms of union.

To those who have a faint heart, or an obstructive inclination, I would commend these words from among those with which Mr. McEvoy concluded his speech. He said:

> For my own part, as a Newfoundlander who supported the cause of union, and as one who signed the terms of union, which will doubtless result in my eternal glorification, or damnation, depending upon one's point of view, it will be a proud day for me when the union is consummated, for I have long satisfied myself that, as part of this great dominion, the Newfoundlander will then take his proper place in the sun. Union with Canada brings to Newfoundland the possibility of realizing itself and of taking its place in a great federation of free and autonomous states. It means Newfoundland's emancipation from the stranglehold of isolation. For Canadians I can only, of course, dare to hope that the entry of Newfoundland into confederation will be the occasion of pride and joy.

I am sure that is the spirit in which all of us on this side of the house would like to see the debate conducted and concluded. That is the spirit with which we would like all Canadians to greet the entry of Newfoundland, to stretch out the hand of fellowship, the hand of brotherhood to these brothers in the British commonwealth who have been our neighbours for so long, and are soon to become sons and daughters of Canada. They will soon become that, Mr. Speaker, if the resolution passes and goes forward with the support of the house—I am sure it has the support of the people of Canada and the people of Newfoundland—so that we may join together in one greater union to make an even greater Canada than we have ever known.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, no one could possibly disagree with the word picture painted by my hon. friend who has just resumed his seat as, in concluding his peroration, he declared that it would mean much to Canada and to Newfoundland to join in confederation. As he read from the confederation debates of 1865 I read from those debates when the Hon. George Brown with pride envisaged the day when Newfoundland would join and become part of the Dominion of Canada.

Last week we on this side of the house joined in support of the agreement tentatively entered into between the representatives of the Canadian government and the representatives of Newfoundland. We agreed as to the favourable position in which it would place Canada, both nationally and internationally, to be joined by Newfoundland. There is, however, no inconsistency in the unanimity of our support last week and the stand now taken by my leader in the amendment he has moved. The amendment has nothing to do with the desirability of confederation. We supported that desirability of union and we are unchanged in that view. But, sir, believing as we do in confederation, we demand that the principles of confederation as set out in the British North America Act be complied with by the parliament of this country, to the end that our constitution shall be upheld. As I listened to my hon. friend the Minister of National Defence (Mr. Claxton), who apparently would make shortcuts through the constitution, I was reminded that in 1925

when the question of amending the constitution came before parliament in a resolution moved by the then member for York South Mr. W. F. Maclean, some who have sat with my hon. friend in cabinet made certain statements which were diametrically opposed to the view expressed by him, and which in fact fully supported the stand taken by the leader of the opposition (Mr. Drew), that in any amendment to be made to the British North America Act the provisions of that act shall be fully complied with.

In addition there has grown up, not terms comprised within the written constitution, but precedents under which, when important changes are to be made to the constitution, the provinces must be consulted before those amendments in fact are made. My hon. friend asks, were the provinces consulted at the time Manitoba entered confederation? Were the provinces consulted when British Columbia entered confederation? Were the provinces consulted when Saskatchewan and Alberta entered confederation? I do not think they were, for the reason that those provinces entered confederation within the terms of the principles enunciated in the British North America Act.

Just for a moment, in order to bring the argument back from fantasy to fact regarding the nature of this amendment, I am going to read that amendment again:

> And whereas it is desirable that the government of Canada should consult with the governments of the several provinces in respect to the said matter;
>
> Now therefore be it resolved, that the government of Canada be required to consult at once the governments of the several provinces and that upon a satisfactory conclusion of such consultations "a humble address be presented to His Majesty in the following words":

It is not a question of what the constitution is in Newfoundland. That was made clear in the first speech of my leader, although all desire amity within this confederation. What is at issue here, I repeat, is that the government has endeavoured to get around the constitution, because it believed it could not bring about confederation within the terms of the constitution.

Mr. Claxton: May I ask just one question?

Mr. Diefenbaker: If my hon. friend will just wait, possibly I will answer his question a little later on. At the moment I am going to read section 146 of the British North America Act, though I have never been averse to answering questions at any time. That section reads:

> It shall be lawful for the Queen, by and with the advice of Her Majesty's most honourable privy council, on addresses from the houses of parliament of Canada, and from the houses of the respective legislatures of the colonies or provinces of Newfoundland, Prince Edward Island, and British Columbia, to admit those colonies or provinces, or any of them, into the union, and on address from the houses of the parliament of Canada to admit Rupert's Land and the northwestern territory, or either of them, into the union, on such terms and conditions in each case as are in the addresses expressed and as the Queen thinks fit to approve, subject to the provisions of this act . . .

That is the material portion. The government found itself in the position, to use the word of the Prime Minister (Mr. St. Laurent), where "convenience" dictated departure from the terms of confederation. To me, sir, that was an astounding statement. Whenever the terms of confederation appear inconvenient, that would be a justification for making changes in the constitution. Surely, sir, we have not come to the position that, whenever a section of the British North America Act becomes inconvenient if carried into effect, all parliament has to do is, by a majority of parliament, to pass an address whereby the inconvenience is removed, regardless of what may be the result to the constitution.

It was not until the Prime Minister used the word "convenience" that I realized what the government is trying to do. I was not surprised because, sir, no government since confederation has ever committed the number of invasions of provincial rights, whether under the guise of emergency or defence or otherwise, that the present government has made. There is always an excuse for these invasions. Once it was an emergency; the other day it was the demands of defence; today, sir, the new excuse is the balance of convenience.

What does this address say? We have accepted the terms of the agreement; we have accepted the desirability of confederation. But we demand, sir, that parliament shall never deem it proper to amend our constitution indirectly, for convenience or otherwise, without consultation with the provinces.

I shall read the material portions of the resolution.

> And whereas the agreement containing terms of union between Canada and Newfoundland set out in the schedule to this act has been duly approved by the parliament of Canada and by the government of Newfoundland;
>
> And whereas Canada has requested and consented to the enactment of an act of the parliament of the United Kingdom to confirm and give effect to the said agreement—

That was as far as we went. We consented to the terms of the agreement. But, at the time we did so, we did not realize nor were we given to understand the method whereby the government intended to circumvent the constitution in order to carry out the terms of union.

Mr. Harris (Grey-Bruce): This was on the order paper.

Mr. Howe: He cannot read.

Mr. Diefenbaker: We had no idea then whether or not the provinces had been consulted. I do not hear any guffaws from the other side at that statement.

Mr. Abbott: Listen a little more closely.

Mr. Diefenbaker: Listening to the frivolous manner of the Minister of Finance (Mr. Abbott), one is led to believe that he regards "facetious" as synonymous with "finance".

Mr. Abbott: I knew that would be a dandy.

Mr. Diefenbaker: Mr. Speaker, it is difficult to continue against such a group—

Mr. Blackmore: Would the hon. member speak more loudly?

Mr. Diefenbaker: What are my hon. friends, the Minister of Trade and Commerce (Mr. Howe) and the former Minister of Reconstruction and Supply, saying?

Mr. Howe: I will make my speech presently.

Mr. Diefenbaker: I am glad to hear that, because I should like to remind him of the lines:

> But man, proud man,
> Drest in a little brief authority,
> Most ignorant of what he's most assur'd.

Then, continuing to read from the resolution:

> Be it therefore enacted by the King's Most Excellent Majesty, by and with the advice and consent of the lords spiritual and temporal, and commons, in this present parliament assembled, and by the authority of the same, as follows:
>
> 1. The agreement containing terms of union between Canada and Newfoundland set out in the schedule to this act is hereby confirmed and shall have the force of law notwithstanding anything in the British North America Acts, 1867 to 1946.

What does that mean? Regardless of the British North America Act the British government is being asked by this house to circumvent a principle engrafted in the constitution. We in this parliament are asked to give approval to this course.

The next section of the resolution is equally clear:

> This act may be cited as the British North America Act, 1949, and the British North America Acts, 1867 to 1946, and this act may be cited together as the British North America Acts, 1867 to 1949.

The British North America Act contemplated that Newfoundland would join confederation only upon compliance with certain provisions of the act. A roundabout way in the mechanical and legislative process has never been deemed proper at any time in amending the constitution.

I will refer now to some of the statements made in 1925, which are indicative of the support then given by members of the cabinet of the then Prime Minister to the whole question of the amendment of the constitution. There have been changes in the constitution in recent years. In 1946, the first breach in constitutional procedure developed in connection with an amendment concerning redistribution. The advantages achieved were taken as the excuse for circumventing the provisions of the constitution.

At that time I said, as reported on page 2235 of *Hansard*, and I now repeat:

> . . . the test of looking not at the advantages of the present to be achieved by this short-cut method of amendment of our constitution, but rather at the grave potentialities inherent in making a precedent for amendment of our constitution by a majority of parliament. The great danger of attractive measures such as this is that of the people and the people's representatives, by reason of the very attractiveness, giving up the substance for the shadow.

In 1946 we took exactly the same stand as we now take, namely, that in the matter of amendment of our constitution, consultation with the provinces is absolutely necessary in the interests of our federation.

If I cannot convince by my own argument, or by what has been said by the hon. leader of the opposition, possibly I can convince by some of the statements made by outstanding leaders in this country in 1925. I have already referred to the question that then came before the house, a matter that must be faced in this country in the interests of our common development. That question is the amendment of our constitution to remove anachronisms while protecting the rights of each province within confederation.

One who spoke on the matter was the Hon. Mr. Lapointe, who in dealing with this matter said, at page 298 of *Hansard* of 1925:

> First, the British North America Act itself is not only the charter of the Dominion of Canada; it is just as much the charter of the provinces of Canada. We derive our powers from the British North America Act; so do the provinces. They have no constitution other than the British North America Act; all their powers they derive from that act.

Then he goes on to say this:

> Second, my hon. friend speaks of protection to minorities. That is not the only thing in the British North America Act in which the provinces are interested. They have all their powers which they have kept to themselves and which have been agreed by everybody to be their powers. Have we a right to amend the constitution without their consent, in the way, for instance, of taking away from them some of the powers which have been theirs since confederation.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I am being fair in reading this part. Mr. Crerar, who was then a member of the government interrupted and said:

> This parliament would have that power in respect of all provinces excepting the four that originally entered confederation.

Newfoundland

Then Mr. Lapointe said:

I do not agree with my hon. friend in that regard. The other provinces came later into a joint confederation, but they have the same status, powers and rights as the original four provinces and they should be consulted just as much as any other province if any substantial change is asked as regards the British North America Act.

I point out that Mr. Lapointe is not dealing only with the question of jurisdictional powers as between the dominion and the provinces. Then he refers to the views of Sir John Macdonald, Sir George Etienne Cartier, Hon. George Brown and other outstanding members at the time, on the subject of confederation. He also quotes Sir Wilfrid Laurier, at page 299, as follows:

In parliament here we can do as we please; we are in the majority; but are the members of this house prepared to say that if any province finds itself aggrieved by the terms of confederation, which have been accepted by all the provinces, they will ask the British parliament to alter the constitution in the way desired by that particular province? Such a course might be followed by very serious consequences.

He replies to the views of the Minister of National Defence (Mr. Claxton) as to the nature of confederation in these words:

Confederation is a compact, made originally by four provinces, but adhered to by all the nine provinces who have entered it, and I submit to the judgment of this house and to the best consideration of its members, that this compact should not be lightly altered. It should be altered only for adequate cause, and after the provinces themselves have had an opportunity to pass judgment on the same.

Mr. Claxton: May I ask how this is altering any compact?

Mr. Diefenbaker: I did not hear the question.

Mr. Claxton: I asked how our present action would alter any compact.

Mr. Diefenbaker: The arrangement made in section 146 provides for the basis of confederation, in bringing into confederation certain other named areas.

I shall not read the quotation from the remarks of Sir Robert Borden, but he held views similar to Mr. Lapointe's. Finally Mr. Lapointe uses words that I thought were particularly pertinent. He said:

Surely the British North America Act cannot be made a scrap of paper, as that treaty was made at that time.

He was referring to Belgium.

There is a way, perhaps, yes; but the only way is the friendly way, is the legal way, is the constitutional way. It is to approach the various parties to the agreement with a view to arriving at an understanding as to the changes which may be necessary and which may be agreed upon by all the parties to the pact.

[Mr. Diefenbaker.]

Incidentally, Mr. Speaker, I am not entering into a controversy on the question whether confederation was a pact, a treaty, a contract or a statute; but both Sir Wilfrid Laurier and the late Right Hon. Ernest Lapointe used the expression "pact" and "compact". Mr. Lapointe continues as follows:

As I have said, I do not think there could be any other way; I believe that any arbitrary action in the matter would simply defeat its own purpose and would strike at the root of our national unity. I think I cite history correctly when I say that every time there has been a dispute in Canada as regards provincial rights, those who were on the side of provincial rights were victorious in the end.

Mr. Rowe: And will be again.

Mr. Diefenbaker: I remind you, Mr. Speaker, that at the Liberal convention last August it was pointed out how far the present government had departed from a recognition of provincial rights. Then I go on to quote further from Mr. Lapointe:

I do not think there can be any attempt to change the mutual charter of both the dominion and the provinces by the arbitrary action of this parliament. I do not think it is possible to do it.

Mr. Martin: What page is that?

Mr. Diefenbaker: That is page 301, in the first column. To continue:

To those who want changes, and I am willing to admit that there might be the necessity for changes, I would say that the only way to get them is the constitutional way, to ask the consent of the various parties to confederation.

In that statement Mr. Lapointe went even further than did those of his predecessors who had occupied the position of Minister of Justice.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Diefenbaker: Mr. Speaker, I was referring to the views of outstanding Canadians who at different times were members of the cabinet of the former Prime Minister of this country. I had referred to the views of the late Right Hon. Ernest Lapointe, and I had referred to some of the statements made at that time by Mr. Crerar, now Senator Crerar.

As reported at page 317 of *Hansard* for February 19, 1925, discussing the question of the constitution Mr. Crerar said:

The fact is that Canada has moved forward tremendously in the last fifty years. Those of us who have read history know the circumstances in Canada that brought about the confederation of the then existing provinces. I quite agree with the argument advanced by the Minister of Justice (Mr. Lapointe) yesterday that the confederation pact was in the nature of a treaty. It was the result of different provinces getting together and agreeing upon a solution that would lead them out of their difficulties. But while that was one of the reasons

behind the confederation understanding or agreement in 1867, there was also another aspiration behind it, and it was voiced, perhaps most strongly, by the great architect of confederation, Sir John A. Macdonald, for in large measure, he was the architect of confederation, even if he could not claim credit for originating the idea.

Then Senator Crerar, as he now is, went on to deal with the question of a united northern British America.

As reported at page 332 of *Hansard*, the then Prime Minister, the present right hon. member for Glengarry (Mr. Mackenzie King) used these words:

There is in the first place the question of the right to amend our own constitution, a question which one might describe at present as theoretical or academic, although it may come to have in the course of time some very practical bearings. There is secondly the question of the method by which this country should proceed to secure amendment of its constitution should it decide such a step to be desirable and necessary.

And then later on he said:

All of that particular phase of the question was so fully and conclusively argued by the Minister of Justice yesterday that this house, I believe, is practically unanimously of the view that if an amendment of the kind is to be sought, due regard should be had to the view that a compact was made at the time of confederation, and that an amendment of the importance that such an amendment certainly would have, ought only to be proposed after there had been a conference and agreement between the dominion and the provinces.

The amendment to which the then Prime Minister was referring was an amendment that would alter the basis of the amendment of our constitution, and make it possible to have it amended by parliament after consultation and in agreement with the provinces.

How important it is that the rights of confederation in so far as the provinces are concerned be respected was indicated again the other day when the Prime Minister (Mr. St. Laurent) referred to the rights under section 133 of the British North America Act, and indicated that in his legal opinion, based upon his experience as a fine constitutional lawyer, those rights could be taken away by a vote of a simple majority of parliament.

That viewpoint if accepted goes a long way along the road to destroy the basis upon which—and I use the words of the former Prime Minister—the compact of confederation was founded and arrived at. If it is going to be open to a simple majority of parliament, without consultation with the provinces, to make amendments, then the rights guaranteed minorities under the British North America Act—and I am not referring to powers under section 92, but rather to those other rights in which the provinces have an interest, or in which minorities in the provinces have an interest—could be torn asunder and destroyed by the overwhelming weight of a majority in parliament.

The hon. member for Rosetown-Biggar (Mr. Coldwell) speaking in the house on July 5, 1943, indicated how far the British parliament would go in passing an amendment to our constitution, regardless of any provincial rights which might be involved. The hon. member, as reported at page 4345 of *Hansard*, said:

Let me say to him and those who believe with him that, from conversations again and again with members of the British House of Commons, some of them within the last few days, I am convinced that whenever Canada asks for an amendment of the British North America Act—which is, in effect, our constitution—no matter what amendment we may ask, the parliament of Great Britain will accede to the request and adopt the proposed amendment.

If his conclusion is correct—and that was the considered opinion of the hon. member for Rosetown-Biggar at that time; and apparently he has not changed that opinion in the past four or five years, because he used similar terms in the debate on redistribution—then the danger of permitting of amendments to the constitution, without consultation with the provinces, is intensified. It is placed in clear relief.

The amendment is not something new. We stood for this in 1946, as we have stood for the rights of the provinces since confederation. In 1946 we pointed out the danger to constitutional rights when there was held before this House of Commons an invitation to circumvent the constitution in order to secure additional members. We pointed out that short-cuts of amendment would make a pathway which would ultimately lead to permanent highways that would be dangerous to the future of the compact of confederation. In 1946 we took a stand that followed the stand taken throughout the years by Sir John A. Macdonald, Sir George Etienne Cartier, Aylesworth, Blake, Meighen and Bennett and, above all, as taken by Mr. Lapointe who, throughout the years, pressed for the necessity of the assurance that the pact of confederation be not amended in whole or in part except after consultation with—and he went so far as to say "with the consent of"—the provinces.

In 1946, on the occasion of the debate on the matter of the address, an amendment was moved by myself which placed our views then before the Canadian people—and this amendment is almost a complete reiteration of the 1946 amendment. I urged then, as I do now, the necessity for the preservation inviolate of rights under the constitution if there is to be unity in this land. At that time I quoted the words of Edmund Burke, which were applicable then as they are now, when he said:

Our constitution is like our island, which uses and restrains its subject sea; in vain the waves roar. In

that constitution, I know, and exultantly feel, both that I am free, and that I am not free dangerously to myself or to others.

Great progress has been made since confederation, as was pictured by the Minister of Defence (Mr. Claxton), but those advances were made during a period when the constitution was upheld at all costs by all parties in this country. Having the experience of power gained during the days of war when without restraint parliament allowed the federal authority, the provinces raising no objection, to infringe upon the rights of the provinces, this government is following the precedent on amendment to the constitution in 1946 and is adding precedent to precedent. Unless a stop is put to this course, it will become the unwritten law of this country that our constitution may be amended without consultation with the provinces. There is the danger.

Junius dealt with that when great debates on liberty and freedom were taking place. He dealt with many of the problems that we are faced with in connection with our constitution. He warned of the danger of bad precedents being permitted to find a place in the statute books because the danger was that if once permitted they would continue in the future. He said:

One precedent creates another. They soon accumulate and constitute law. What yesterday was fact, today is doctrine.

What Junius said in those great Letters of his comes back with renewed force. Almost three years ago this parliament, over the stand taken by this opposition, permitted an amendment by voting for an address which provided for an amendment to our constitution that altered one of the main bases upon which confederation was built. We moved an amendment in these words:

That the motion be amended by deleting the words: "A humble address be presented to His Majesty the King in the following words:" and substituting therefor:

And whereas it is desirable that the government should consult with the several provinces in respect of the said matter;

Now therefore be it resolved that the government be required to consult at once the several provinces and upon satisfactory conclusion of such consultations be authorized to present an humble address to His Majesty in the following terms.

That was our amendment in 1946. My hon. friends opposite say that we have changed our viewpoint. That viewpoint we have not changed. Our stand in 1946 is our stand today. Everywhere in this land, in every province in this country, people will be able to realize and build upon this fact: So long as we are in this House of Commons, rights under the constitution will not be kicked about by a government, however convenient it may be to that government to do so.

[Mr. Diefenbaker.]

Mr. Knowles: Before the hon. member sits down, would he permit me to ask a question? The hon. member has referred to the stand his party took in 1946. Will he tell the house where his party stood in 1943? If he won't, I will; they voted the other way in 1943.

Mr. Jean-François Pouliot (Témiscouata): Mr. Speaker, I am open-minded about this question of Newfoundland, but I was surprised at some of the arguments used by the leader of the opposition (Mr. Drew). He referred to Newfoundland as being a dominion, but he knows that the British government appointed the Amulree commission whose recommendations were approved, first by the Newfoundland government and afterward by the British government who put them into force. One of the recommendations of that commission was that the legislative and executive authority be vested in the governor, who was to be advised by a commission of six members appointed by the British government. One of those commissioners, Mr. Walsh I believe, was here. Newfoundland is no longer a dominion, as the leader of the opposition knows very well.

We have had some fine dissertations about the fathers of confederation. They were great men, they were statesmen, but they are all dead. I am more interested in the living than in the dead, although I have great respect for the dead. As I say, I was openminded about Newfoundland until a few days ago when I saw a dispatch in the press. I do not think too much publicity could be given to this. It appeared in a French paper as a Reuters dispatch from London dated February 9, and I translate from the French as follows:

Viscount Jowitt, Lord Chancellor of Great Britain, stated that the decision of Canada to incorporate Newfoundland was far from being stingy.

That is my English, of course. It may not be Oxford English, but I am doing my best.

It is certain that union for a great many years to come will be a heavy burden upon the Canadian people, he stated in answer to the Tory Lord Semphill. He said that that was one reason why several people from Newfoundland were under the impression that they were being sold to Canada by the British government.

Lord Jowitt was kind enough to inform Canada of the burden that would have to be carried on our shoulders. If the leader of the British government in the House of Lords, the Lord Chancellor, says that this deal will be a heavy burden for Canada, then I may not be for it. I will leave aside all hair-splitting about section 146 of the British North America Act and section 6 of the Statute of Westminster. I have already said and written that the Statute of Westminster is just bunk and changes nothing in the British North America Act. Who ever heard

of a law with any of the enacting provisions in the preamble? Moreover, the leader of the opposition (Mr. Drew) knows very well that the Statute of Westminster is valueless, and that it changed nothing in the British North America Act. Therefore I do not know what I shall do about the motion of the leader of the opposition, because his presentation of it was too nebulous. I am against the entry of Newfoundland into confederation at the present time at least. Why should we be in such a hurry? We should take our time. We should see if Lord Jowitt was right or wrong. The Canadian people may blame all members of parliament because they accepted certain conventions blindly. In those circumstances, and owing to the fact that Lord Jowitt has revealed to the House of Lords that it is a bad bargain for Canada, I do not see how we can be bound by such a convention. There is something else that you must note also. Some of the representatives of Newfoundland who came here were the very commissioners appointed by the British government. One of the British cabinet ministers has spoken very clearly in the House of Lords, when he said that they were glad to get rid of Newfoundland. I find that insulting to Newfoundland, but it is a good thing that we know what the situation is.

Every time that all parties of the house are unanimous about something I become suspicious. During the war I was suspicious about conscription. I was suspicious about the so-called gifts we made, and I am suspicious now about this bargain. I warn you, Mr. Speaker, and I warn my hon. colleagues, to take their time. There is no reason for them to swallow Newfoundland in one gulp. Take your time and think about it. Let us wait until we see the *Hansard* of the House of Lords with the context of the remarks of Lord Jowitt. That is a most important thing to do. We hold a position of trust, and the people of Canada have the right to ask of each one of us, "what is the matter about Newfoundland?"

What are the boundaries between Newfoundland as it is now and Canada? Have they been surveyed? We are told Labrador is a rich country. What are the delimitations of Newfoundland at the present time? That is a question which has not been discussed at all. We have no map of Newfoundland; we only have a script. I want a map; I want to know where Canada ends now, and what will constitute Newfoundland when Newfoundland enters confederation, if she does. I have nothing more to add other than to say that I think Lord Jowitt has rendered a tremendous service to Canada by warning us against haste.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, there has appeared recently during the debate a noticeable tendency to quote the speeches of Colonel George Drew made in 1937, when he was without experience, against the speeches of the leader of the opposition (Mr. Drew) of 1949, after twelve years of experience, much of it gained as premier of Ontario in the administration of the affairs of that province. A man of ordinary intelligence and the honesty to face facts can learn a lot in twelve years. I judge from the way the leader of the opposition deports himself in this house that he is a man of ordinary intelligence, and that he has the honesty to face facts. Let us not be surprised then if the language which he uses today concerning dominion-provincial relations is quite different from the language which he used when he was without experience twelve years ago. Let the members of the present party in power take over the administration of one of the provinces of this dominion, and face realities as they are in Canada and as they have been during the last ten years. They will be different men entirely from the men they are now. They will have made a good many important discoveries that everyone in Canada ought to make concerning the responsibilities which rest upon the provinces, and the financial difficulties which the provinces experience in endeavouring to discharge them.

In supporting the Conservative amendment Social Crediters are not supporting the Conservatives.

Some hon. Members: Oh, oh.

Mr. Blackmore: I am making my statement, and hon. members should take it as I am making it. Social Crediters are supporting the principles of provincial responsibility, decentralization of power, and genuine democracy and freedom. We began to support them before the election of 1935 which swept Premier Aberhart into power in Alberta, and those principles have been supported consistently in every public utterance of every Social Credit leader since that time. By this amendment the Conservatives have merely swung into line with the Social Credit contention throughout the years. When the present leader of the opposition made his remarks in 1937 he was opposing Alberta. I doubt very much that the present leader of the opposition, with the experience he now has, would oppose the policies that Premier Aberhart was following in 1937. He has found how necessary they were.

By its vote, parliament has declared itself to be in favour of Newfoundland's entry into the Dominion of Canada as the tenth province. The vote had no reference whatsoever to the

method of changing the Canadian constitution, the British North America Act. It seems to me that there is a considerable amount of confusion in the minds of certain members of the Liberal party and the C.C.F. party in this respect. They choose to disregard a vital fact in the situation as a result of which they go astray, either deliberately or by accident.

The present B.N.A. Act is admirably workable by men of good will. That has been discovered by the Social Credit party in its administration of the province of Alberta over a period of fourteen years. Men of good will in both the federal and provincial governments can make the British North America Act of today work successfully in the interests of Canada. There is no need to bring the British North America Act up to date. It is up to date. All that is necessary is to bring the thinking of the men of our country up to date, and to bring the application of the British North America Act up to date. Let the federal parliament exercise its powers concerning currency, credit, and banking wisely and beneficently for the advantage of all Canadians. As all hon. members will recall, those powers were given specifically to the federal government in the British North America Act. Let the federal government exercise them.

I notice a stone wall of determined resistance on the part of many members of the Liberal party against any progressive consideration whatsoever of those two powers. In the B.N.A. Act the dominion government is given power over currency and coinage, over banking, the incorporation of banks and the issue of paper money. I maintain that, if those two powers are exercised wisely by the federal government, all the unhappiness that has existed as between the dominion and the provinces during the past twenty years will have no reason for recurring. Let the federal government pass enabling legislation, as the present government has been doing recently. Let the federal government render available to the provinces the financial means they require to enable them to discharge their responsibilities under the constitution, and there will be no more difficulty.

Let it be borne in mind that at the present time under the constitution of Canada the provinces are charged with responsibility in all matters pertaining to education, health, roads, housing, the support of the unfortunate such as the unemployed, invalids, the aged, the blind and other people who are more or less unable to take care of themselves. It seems to me moreover that any broad interpretation of the principle of property and civil rights must include responsibility over prices and markets within the province also. I do not see how any province can possibly take care of the property and civil rights of its citizens unless that province is able to control prices and markets. How can you guarantee the property and civil rights of a farmer if you have no control over the prices of the things he sells or the prices of the things he buys? That seems to me to very definitely carry the implication that the provinces should have power to control those two important factors in its life. Let the dominion government render available to the province of Nova Scotia, for example, the financial support necessary to enable that province to discharge its responsibilities in connection with property and civil rights, which I have just indicated. Then the dominion will have no further trouble with Nova Scotia or any other province, and the people of Canada will be happy and prosperous.

It will be said immediately by those who are orthodox in their financial thinking, "Well, where are we going to get the money?" That is exactly the matter I referred to when I mentioned the powers given the dominion government in respect of banking, currency and credit, and the issue of paper money. If in addition to the things I have already mentioned the federal government will give wise leadership to the provinces, which in considerable degree the present government has been doing within the last few years, a great many difficulties will be avoided. Call a dominion-provincial conference to deal with all the important matters for which the provinces and the dominion are jointly responsible. Then, after policy has been determined, let the federal government lead out, as it was set to do, and we shall have no more trouble in the dominion. All will then go well in Canada.

Listening to people, watching the way they applaud, listening to the little remarks they make on the side, we find that those in this house fall naturally into two groups. One group is the centralizers; the other group consists of the decentralizers. The centralizers seem to be afflicted with the idea that anyone who is not in this federal government or in this house has no sense and knows nothing about how to govern a province. In other words, they believe that in order to rule the people of British Columbia for instance we have to tell them what to do and see that they do it, instead of leaving it to British Columbia itself. That conception is entirely contrary to the facts. There are just as intelligent men elected to the government of British Columbia as ever came to this house; and they are close to the people and know the problems of the people. They are just as anxious to do what is right. All you need do from the standpoint of this government is provide them with the finan-

cial means to discharge their responsibilities under the British North America Act. They will do the rest. We need not try to tell them how to run their education or housing or old age pensions or health or highways. They know how to do it; and they want to do it. Just as soon as we realize that there are wise men in even the smallest hamlets of Canada, and that all we have to do is enable those wise men to rule the country, then we shall have no more trouble. But when you let the centralizers take control of everything right down for example to the acres of peas or beans or carrots a man is going to plant, then you encounter real trouble.

Recently the Canadian people passed through the exacting crisis of the war. During that time they raised a powerful army. During that time they built up an efficient war-time production machine. During that time they designed and put into operation an admirable system of price control, and other economic controls. The present government must be given credit for having done all those things, in co-operation with the provinces. In the process the members of this house and the people of the country have seen this magnificent Canadian people carry on from coast to coast with scarcely a quiver or a creak, notwithstanding the fact that on many occasions this government encroached upon provincial fields, taking over powers that were obviously powers of the provinces. The provinces gladly acceded to the request of the dominion while the crisis continued, showing that there was no desire to interfere or to insist uncooperatively on provincial rights.

The people of this country will do that under any crisis. All that is necessary is to consult them. All that is necessary is to determine with them the objective that must be gained and the method that must be followed in order to do so, and you will find the Canadian people united. It will not matter a particle how much power a province has; it will gladly co-operate with any intelligent leading power in Ottawa.

The thing that is worrying the provinces is that, if they lose the constitutional power to determine the way their people shall be governed, then when crisis comes and they need that power they will no longer have it. During the war we did not find any sign of lack of unity, except perhaps between the two primary races in Canada, and I am not sure there was a great lack of unity there. Nor did we find any sign of any kind of "balkanization." I think one of the members of the C.C.F. party is responsible for that noble word. He will never see the balkanization of Canada as long as we remain Canadians and true to our traditions. Let the provinces have as much power as they desire; we shall find them working together as long as we give them wise leadership.

May I turn for a minute or two to the remarks made by the Minister of National Defence (Mr. Claxton). He said it required a change in the British North America Act to admit the provinces of Manitoba, British Columbia, Prince Edward Island, Alberta and Saskatchewan. I know that the hon. minister was speaking—

Mr. Claxton: I am sorry, but I never said anything of the kind.

Mr. Blackmore: I gathered that was what the hon. minister said, and that he was using that as a reason why it was quite logical to change the British North America Act in order to bring Newfoundland into confederation.

Mr. Claxton: I know the hon. member wants to be fair. I never said anything of the kind, nor did I intend to say anything of the kind.

Mr. Blackmore: I am sorry, but I was making notes rather hastily and I am not quite sure I got his idea. I gathered from his remarks the impression that he was trying to argue we were proposing to use the same procedure in admitting Newfoundland as was used in admitting these other provinces. Am I correct in that?

In those remarks, I do not believe the hon. member was quite up to his ordinary standard of quick and accurate thinking. You will remember that Alberta and Saskatchewan were already part of the Dominion of Canada, since they were part of the Northwest Territories. British Columbia, Prince Edward Island and Manitoba were not sovereign states. They had never become sovereign dominions under the 1926 imperial conference and the declaration which followed upon that, nor under the Statute of Westminster, as Newfoundland has become. Newfoundland is a sister dominion. Consequently, the admission of Newfoundland to Canada involves certain principles which were not involved in the admission of any of the other provinces mentioned.

May I say a word or two concerning the stand of the Social Credit party on this matter? We Social Crediters favour Canadian unity, but we favour the decentralization of power, once and for all, to enable the provinces to protect their people industrially, financially and politically. We may be facing another depression in a very short time, as all hon. members know. If another depression does come and we begin to go through such trying experiences as confronted the Canadian

people during the last depression, then we shall face difficulties which will require real statesmanship. Up to the present time, no federal government has shown any sign of adopting any adequate safeguards against depression.

I believe, Mr. Speaker, it will be found that another depression is the thing that is worrying the provinces. The provinces are concerned about how they will manage their affairs during a period of depression. Look at what happened to the provinces during the last depression. Even the provinces of Ontario and Quebec, with their vast amount of industrialization, became impoverished to a painful degree. The four western provinces and the three maritime provinces were reduced to the point of extreme poverty. Prices fell, but debts remained. Falling prices caused debts which were owing before the depression to almost treble, but the debts remained and the interest was still charged. Men were dispossessed from their farms and homes. All this time the dominion government sat supinely, disregarding the whole matter.

As soon as Premier Aberhart was elected in the province of Alberta and began to defend the homes of the people in that province, he encountered opposition from this federal government. It is easy to state that such a thing will not occur again. Furthermore, all during that depression adverse freight rates continued to place a most iniquitous burden on the western provinces and the maritimes. Nothing was done by the federal government to cushion the impact of those freight rates on the economic life of these provinces. Adverse tariff conditions prevailed, but again nothing was done to cushion the impact of those tariffs on the people of the provinces. If the provinces face such conditions again, they will need constitutionally guaranteed powers which have not yet been granted to them. The provinces need recognized constitutional powers so that they can act to meet depressions or other emergencies which might arise.

The provinces must have a constitutional power to resist any centralization moves of the federal government. An example of this we saw in the Sirois report, a matter which I do not propose to discuss at the present time. The Liberal government at Ottawa proposed to act on the Sirois report, which was designed to utterly destroy the financial independence of every province in this dominion. For example, Mr. Speaker, in connection with adjustment grants—hon. members will recall that the provinces were to receive these grants—Quebec was to receive $8 million a year. The rest of the provinces combined were to receive only $6 million. The province of Alberta alone is today receiving a larger adjustment grant than that every year. According to the Sirois report recommendations, Alberta was to receive nothing, British Columbia was to receive nothing, and Ontario was to receive nothing.

Now that report was seriously considered by the members of the government, many of whom are now sitting on the treasury benches in this house. That report was seriously considered by the party which now controls this country. Can you blame anyone who has the interest of this country at heart for rising in his place to oppose a set-up under which such a thing could occur? We simply must be on our guard if we are going to be worthy of the responsibilities resting upon us. In addition to that, it is important to consider the protection of property and civil rights which are also the charge of the provinces.

Let me make the stand of the Social Credit party abundantly clear. One of the most pathetic things in public life in this country, Mr. Speaker, is that a man will say one thing in this house and his political opponents will go all over the country declaring he said another. I wonder how in the world this country can be honourably governed when men resort to such base tactics? Let me state once more, specifically, the position of Social Crediters in this matter. We did support the principle of the union of Newfoundland with Canada. Anyone who says we did not is lying. We still support that principle, and we shall do so. We did support the proposed terms of the agreement, after careful consideration of all the details presented to the house. We still do. We have not changed, nor do we now change our attitude towards this most important step in the completion of Canadian federation.

In introducing the resolution which is now before the house on the motion of the Prime Minister, the government has chosen however a procedure which could be easily interpreted, as the leader of the opposition has shown, as an amendment to the British North America Act. We cannot, therefore, do less than support his amendment requesting that the provinces be consulted. If we did anything else it could be interpreted as opposition to the fundamental principle of decentralization and provincial autonomy for which we have stood throughout the years. The stand which we propose to take now, we believe to be the only safeguard to our constitution.

I think I have made quite clear the stand we are taking and the reason for our intention of voting with the Conservatives on this amendment to the proposal of the Prime Minister.

Mr. A. L. Smith (Calgary West): Mr. Speaker, in rising to make a speech for the first time during this session of parliament,

you will accept my usual assurance it will not take very long. It seems to me that our whole difficulty may be summarized in the simple statement that, while great men brought about the passage of the British North America Act, they made no provision in that act for a method for revising our constitution. We therefore from time to time find ourselves in the difficulty which confronts this house today. From that day to this we have been obliged to rely on decisions made in the Supreme Court of Canada and in the privy council regarding matters of jurisdiction and amendment. So may I at once say that I agree—as I have always agreed—with what was stated in the radio speech made by the Prime Minister a short time ago, that we need a meeting of some kind to endeavour to find a way to amend the British North America Act; to find a legal method, which will be without difficulty and without cavil, of amending our constitution. But that has not happened as yet. From the speech made by the Prime Minister (Mr. St. Laurent) I gather that it is something which he has in mind, but he said that he had no intention of bringing that idea forward in the present session of parliament.

Some legal questions are unanswered, and this house is entitled to expect to receive answers to them from the Minister of Justice (Mr. Garson) who, after hearing the speech made by the hon. member for Souris (Mr. Ross) the other day, has maintained a most discreet silence in this house. As a matter of fact, I have not heard him guffaw in his usual manner from that time to this.

Mr. Abbott: Who? The hon. member for Souris?

Mr. Smith (Calgary West): The question in my mind, and upon which no one has touched, is this. Has Newfoundland a legislature, or has it not? In the broad sense of that word, I know they have no elected representatives. But I also know that, by the imperial act of 1933, I think it was, all the powers of a legislature were conferred upon the governing body. I am only a little police court lawyer. I realize that. I know nothing about constitutional matters.

An hon. Member: Hear, hear.

Mr. Smith (Calgary West): Mr. Speaker, the interruption must have been intelligent. It was not from the hon. member for Springfield.

Mr. Sinnott: On a question of privilege, Mr. Speaker, I have been sitting here in my seat all evening, and have not spoken one word since I came in.

Mr. Smith (Calgary West): May I agree with the hon. member for Springfield, Mr. Speaker, and go even further than he did. May I say that he has not said an intelligent word in this house since I came here four or five years ago.

Some hon. Members: Oh, oh.

Mr. Abbott: The hon. member for Calgary West may regret that remark.

Mr. Sinnott: Again I rise to a question of privilege.

Mr. Abbott: Ignore it.

Mr. Sinnott: I do not think—

An hon. Member: You never did.

Mr. Sinnott: —that any hon. member of this house should speak to another in the manner adopted by the hon. member for Calgary West.

Mr. Abbott: Consider the source whence it came.

Mr. Sinnott: Yes, I consider the source from which it came.

Mr. Speaker: Order. May I suggest that hon. members do not interrupt the hon. member who has the floor.

An hon. Member: He did not interrupt.

Mr. Speaker: May I suggest that the hon. member who has the floor should address himself to the Speaker.

Mr. Smith (Calgary West): I accept your soft slap on the wrist, Mr. Speaker, because there is no one to whom I would pay greater attention that I would to you.

Mr. Grant: The hon. member is obliged to.

Mr. Smith (Calgary West): Perhaps one of the reasons for that is that I am obliged to do so. But, nevertheless, that is the situation. I now continue. I wish the sharp-shooters in the chamber would speak out so that I could hear them.

Mr. Abbott: Nobody said a word.

Mr. Smith (Calgary West): I turn now for a moment to the hon. member for Rosetown-Biggar (Mr. Coldwell), who told us that my leader had reversed himself between last week and this week. That was to be anticipated.

Some hon. Members: Hear, hear.

Mr. Smith (Calgary West): When I went to school, there were no such things as "grades"; the term used then was "books". When some one expects an interruption from the fifth book, he gets one from the second book, as exemplified by the interruption I received

from the Minister of Finance just now. These people do not know any better. That is the situation.

Mr. Abbott: Thank you, thank you. Carry on.

Mr. Smith (Calgary West): Perhaps the Minister of Finance (Mr. Abbott) might address the chair, Mr. Speaker. I am glad the hon. gentleman thanked me, because we have been excellent friends for a long time. I disagree with the hon. member for Lake Centre (Mr. Diefenbaker). The Minister of Finance knows the difference between facetiousness and finance. He does not know it well, but he knows it.

To continue, I do not intend to quote what anybody said in 1864, 1865, 1867 or at any other time. I shall, however, try to bring this matter down to the present with regard to just what our problem is, and what we are voting on. Before I was so kindly interrupted by the Minister of Finance—

Mr. Abbott: I beg the hon. member's pardon. I have not interrupted my hon. friend tonight. I can only suggest that my hon. friend pay a little bit more attention to identifying those who may be interrupting him. I have not been one of them.

Mr. Smith (Calgary West): I am delighted to hear that, and I apologize most humbly. Perhaps it was the hon. member for Springfield. He would like to be a minister of finance.

Mr. Abbott: I have been trying to read a letter, Mr. Speaker.

Mr. Smith (Calgary West): I am sorry to interrupt the Minister of Finance's preoccupation with his letter. I hope it is from his wife and that he will get some benefit from it. But that is neither here nor there.

Mr. Speaker: Order. I must ask the hon. member to co-operate with the chair, to address himself to the Speaker and not to make any reference to any other hon. member, especially those who do not interrupt.

Mr. Smith (Calgary West): I did not hear you, Mr. Speaker, but I agree with everything you say. That is all right. We rely on the Minister of Justice to guide us humble people who know no law. We may have an idea of justice but perhaps not of law. We should like him to tell us, at some time, whether or not under the present set-up Newfoundland has a legislature. But the Minister of Justice (Mr. Garson) has been extremely silent in this debate. He has no papers in front of him, as has the Minister of National Health and Welfare (Mr. Martin), who has been getting ready for some considerable time.

[Mr. Smith (Calgary West).]

Mr. Martin: My mind has been elsewhere.

Mr. Smith (Calgary West): I am quite sure of that. However, let us not discuss the usual.

Mr. Martin: A very good comeback.

Mr. Smith (Calgary West): I come back to this and I say to the Minister of Justice (Mr. Garson) that I have no doubt he is ambitious. I have no doubt he has now been appointed to the senior team. I have no doubt he wants to be known some day as the rookie of the year—if I may use an expression used in hockey. I point out to him that he has some difficulties in front of him. He has the beneficent administrator of reconstruction and supply, and he has the man with the great smile down here, the minister for whom we have respect and who deals with foreign affairs. I think he had better get into this pretty soon and tell us—because we will all accept his views—just what the law is in this matter.

I now turn to the socialists on my left. The hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of that party in the house, made a speech. I knew every word he was going to say. I do not mean I could have given it phrase by phrase, but I did know he would support this measure. Why? Because their whole philosophy is the centralization of authority in a single government. Therefore that was his position. The best example we have had of that in recent years was when the Minister of Trade and Commerce (Mr. Howe) last year, with his tongue in his cheek, brought in a bill with respect to centralizing in this government the handling of coarse grains. The only provincial government supporting it was the socialist government of Saskatchewan. They came through all right; they did not even let the ball have a second bounce. They grabbed it and came right back. So that is their position. I understand it, because it has been the position of socialists from Karl Marx right down to the day of the hon. member for Rosetown-Biggar. That is their whole position; so we can thoroughly understand them.

Perhaps you may think, Mr. Speaker, that it is a bit late; but if I may I should like to turn your mind—perhaps "invite the turning of your mind" would be a better expression—to just what the present position is. This is an amendment to the British North America Act. No one has seen fit to deny that. No one has made a single suggestion that it is anything other than that. So, as far as I am concerned, I am anxious to leave behind what people have said from 1864 until the present time. I have been advised by men who were experts in this business that anyone who is in politics would like to forget everything he

ever said. As a matter of fact, it is not a bad idea.

So we come down to this very simple proposition: What does this mean? Expediency, convenience, shortcuts—use any other words you will. It does seem to me that it is just that. Although this is the first speech I have made since the session was called—and perhaps these will be my last words in it—let me ask this: Am I right in saying—and I am sure I am—that it is an amendment to the Canadian constitution?

Mr. Garson: No.

Mr. Smith (Calgary West): Who said no?

Mr. Garson: The Minister of Justice.

Mr. Smith (Calgary West): Oh, the Minister of Justice said it? I am so happy to have heard him say that. But apparently he has not read the resolution—because it is called that in the resolution. It states—

> The agreement containing terms of union between Canada and Newfoundland set out in the schedule to this act is hereby confirmed and shall have the force—

What?

> —of law, notwithstanding anything in the British North America Acts, 1867 to 1946.

And if that is not enough for him—for this rookie in our big league—let him listen to this:

> This act may be cited as the British North America Act, 1949—

How in the world could there be a British North America Act, 1949, unless it amended what we have had before?

Then, let us refer to the hon. member for Rosetown-Biggar, who said he was not a lawyer—and I am getting fed up with a lot of these fellows, who know nothing about the law, saying that they are not lawyers—and who read—

Mr. Gillis: You are not giving us a bad exhibition, right now.

Mr. Smith (Calgary West): You know, Mr. Speaker, it is very difficult when remarks like that are made by a close personal friend. You see, the point is this: he knows less than his leader; therefore he is a more difficult man to convince.

Section 2 says this:

> This act may be cited as the British North America Act, 1949, and the British North America Acts, 1867 to 1946, and this act may be cited together as the British North America Acts, 1867 to 1949.

Now I will give a worse exhibition for the benefit of my good friend the hon. member for Cape Breton South—north, east or west, and never the twain shall meet; but you know whom I am talking about—an act to be passed in respect to another act which was not an amendment to the latter except where it was annulled altogether. And so I come back to this—and it is something all hon. members must consider. I opened my remarks by saying how much I agreed with the Prime Minister's radio speech—that we did need to review our constitution. I agree with that heartily. But I disagree—I heartily and thoroughly disagree—that this House of Commons by a majority vote may vary that constitution.

That is exactly what we are doing here. The Minister of National Defence (Mr. Claxton) quoted certain people; and he is anxious to get up again, but I see he is leaving that to the Minister of National Health and Welfare (Mr. Martin). He pointed out, in certain quotations, that the provinces were definitely concerned with the amendments at that time. And so I turn again to the right hon.—no, not the right hon.—the hon. member for Rosetown-Biggar, who said he never knew of any reason why these short-cuts should not be adopted.

I do not care whether you use the word pact, compact, treaty or statute. One thing I will say to him is that it is an agreement, and he has never known an agreement to be varied except with the consent of the parties who signed it. That is the position I take, and the position upon which we stand.

We are told—and they will tell the people of Canada—that we have delayed getting Newfoundland into confederation—the wish, the dream if you like, of the fathers of confederation. We are told that the 31st day of March is the limit—the something or other day—when this must be done.

Now, this is an agreement between the Dominion of Canada and certain representatives from Newfoundland who signed. There is no reason in the world—and this is the very antithesis of what the hon. member for Rosetown-Biggar said—why the signatories to the agreement cannot postpone that D-day, or whatever day you wish to call it. So all this nonsense about hurrying and so on as of March 31 falls exactly where it belongs. It is based on the effort of this government to do in an illegal way what they could do legally if they chose to take a little time and give it a little more consideration.

This point has been raised by the Minister of National Defence particularly. He said most eloquently what has been said by thousands of people before he had chewed his third to the last lead pencil while he was listening to my leader. He has one right there now. He had better try the other side because the teeth on this side are beginning to get worn out.

Mr. Claxton: I have to chew on something.

Mr. Smith (Calgary West): He said: If we meet with the provinces, what majority or what number shall we require? May I agree with him most heartily. At the moment we do not know. I agree with him in drawing a distinction between the federation in the United States and ours, that there the residuary powers were left with the state while here they were left with the dominion government.

The minister quoted a Mr. McEvoy, K.C., who apparently has some clients. In that he may be different from the Minister of National Defence, who I am sure has not any. Still that was the position. What Mr. McEvoy said is quite true. That is not news to the various laymen in this body. That is the distinction in our constitution. But when the minister for Rosetown-Biggar quotes sections 91 and 92—

An hon. Member: Member.

Mr. Smith (Calgary West): Did I make a mistake? I called him minister but I assure you that is not wishful thinking with me. When the hon. member for Rosetown-Biggar took that position I agreed that he read those sections correctly, but that has no more to do with the problem we are dealing with now than the fact that you have a bit of gum on the heel of your left shoe, as far as I can see at the present time.

We come to this position. If you can by this short-cut method introduce a province into Canada, it is logical and true that by the same method you can throw a province out of confederation. Let the Minister of Justice (Mr. Garson) answer that one if he can.

Mr. Garson: If I never have to answer anything harder than that I shall have an easy time.

Mr. Smith (Calgary West): The minister has been very fortunate. He has been brought up politically with a spoon in his mouth and has never had anything to answer. However, I think that will give him a little trouble.

Mr. Sinnott: The Tories will help him.

Mr. Smith (Calgary West): This interrupter has moved over half a dozen seats. Last year, I remember, when the press took a Gallup poll, if I can call it that, of who would be the new leader of the party, there was one vote in the hon. member's favour, and it was his vote. Perhaps he should move down to the front seat.

Mr. Sinnott: I had one more vote than the hon. member.

Mr. Smith (Calgary West): I am bound to agree with the hon. member in that because I do not think I would get any votes on that side. But he did get one so we will just leave it at that.

The point I am trying to make is this: Today we are not dealing so much with the expedition of the entry of Newfoundland into confederation as we are with the greater and broader proposition whether our constitution is not the thing within which we live, whether our constitution is not the thing that protects minorities at all times. If that can be changed by a vote of this house, to quote the words of the hon. member for Rosetown-Biggar, "Then indeed have we chaos".

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, at least I have an excuse for rising to my feet in the fact that an hon. member has requested or challenged me to do so. I refer to the hon. member for Calgary West (Mr. Smith), who has just taken his seat.

We have had a great deal of excellent oratory during this debate. This amendment is certainly not something which could be anticipated by any prudent lawyer. I enter this debate with considerable diffidence because I took no part in the negotiations and had no contact with the legal problems in that way, but I must confess that when I heard the arguments put forward this afternoon by the leader of the opposition (Mr. Drew) and then got the text of the amendment to the resolution which he moved I was amazed on two grounds.

First, I was amazed that such a thesis should ever be put forward in this chamber. Then I must confess in all honesty that I was amazed at the excellence and the ingenuity of the arguments that were put forward in support of the amendment. Perhaps I should not have been amazed because on a great number of occasions I have heard my hon. friend use one peg after another as something upon which to hang the hat of centralization. I have always found him exceedingly ingenious in supporting the positions he has taken. I do not suppose there is a man in the Dominion of Canada who is better at making the best of a bad case than the leader of the opposition. I suppose it is quite appropriate that he should be the leader of the Conservative party because he will no doubt get lots of practice.

We have heard a great deal of rhetoric upon this subject, excellent in its way but exceedingly irrelevant. Of all the speeches in support of the amendment, in spite of his facetiousness, I think the one made by the hon. gentleman who has just taken his seat was much the best. At least he got down to the real nub of the matter, which was more than was accomplished by the rhetoric uttered by

the other speakers. Their speeches were interesting, eloquent, and excellent; they were everything but relevant.

What are we talking about here? We are talking about section 146 of the British North America Act. I must apologize if I indulge in the use of platitudes to try to prove the obvious, because throughout this debate there has been a complete disregard of the obvious, of the plain, of the clear, and of the sound. Section 146 says:

> It shall be lawful for the Queen, by and with the advice of Her Majesty's most honourable privy council, on addresses from the houses of the parliament of Canada, and from the houses of the respective legislatures of the colonies or provinces of Newfoundland—

I shall not read the others.

> —to admit those colonies or provinces, or any of them, into the union, and on address from the houses of the parliament of Canada to admit Rupert's Land and the Northwestern Territory, or either of them, into the union,—

On what?

> —on such terms and conditions in each case as are in the addresses expressed and as the Queen thinks fit to approve, subject to the provisions of this act;

Then it goes on to say:

> And the provisions of any order in council in that behalf shall have effect as if they had been enacted by the parliament of the United Kingdom and Ireland.

In other words, what we have here, and it is so very obvious a thing that it should not be necessary to explain it to intelligent people, is a provision whereby in British North America, which gives its name to this statute, those areas outside of the four original provinces can be brought into confederation by no more complicated a device than an imperial order in council—not any statute. As a matter of fact, two of the provinces which existed before confederation, namely Prince Edward Island and British Columbia, were brought in after confederation merely by order in council.

Mr. Smith (Calgary West): Certainly.

Mr. Garson: Does this section say one single word about the consent of any of the provinces already in confederation being necessary to that end? Not a syllable.

Mr. Smith (Calgary West): Do you not know why?

An hon. Member: If you listen you will know.

Mr. Garson: I suggest, therefore, that it is in accord with both the letter and the spirit of our constitution, and more particularly with section 146, which I have just read, that Newfoundland and these other colonies or provinces should be admitted into confederation without the consent of the provinces already in confederation. The whole set-up contemplates that. As I have pointed out, the practice under this section has been uniformly in accordance with that conception throughout the years.

If Newfoundland had had an assembly, and that assembly had passed an address, and that address, together with the address of this parliament had gone forward to the United Kingdom, the United Kingdom would have brought Newfoundland into confederation by order in council without any question of consent by any of the provinces. Surely that is a sensible, reasonable, and prudent provision for the fathers of confederation to have put into the act; because, starting with the four provinces of Canada, if they ultimately desired, as they obviously did from section 146, to bring into union all of the territories which were then outside of confederation, surely no statesman in his right senses would have made the enlargement of our dominion conditional upon the veto of one province, or two provinces, or half a dozen provinces.

I suggest that my hon. friends, who have put forward this ridiculous amendment to the resolution, will search in vain in the confederation debates, or in the British North America Act itself, for any foundation for their oratory or for their amendment.

What is the difficulty with which the negotiators were confronted in this particular case? It is notorious what it was. The dominion of Newfoundland, as a result of circumstances entirely beyond its control, and certainly beyond Canada's control, had got into financial difficulty, and its legislative government was superseded by another perfectly legitimate and legal government, properly established in accordance with the law. By way of replying to the question of the last speaker, may I say that I do not profess to be an expert on this matter because the whole thing came freshly to my attention with the amendment moved by the leader of the opposition (Mr. Drew). No one will dispute, however, that in Newfoundland at the present time there is a legally constituted government with proper legal authority. But it is not a legislative body and therefore cannot produce the address that is necessary under section 146.

That posed a practical problem for the responsible negotiators of Canada, of Newfoundland, and of the United Kingdom. The law officers of those three governments, to whom we must give some small credit for knowing a little about the relevant law, and who have had perhaps somewhat greater opportunity of digging into it than even the hon. leader of the opposition, or the hon. member for Lake Centre (Mr. Diefenbaker) or the hon. member for Calgary West (Mr. Smith)—

Mr. Smith (Calgary West): And you.

Mr. Garson: Definitely, myself most of all, because you had two or three days headstart on me. Those law officers must be given credit for some knowledge of the law, and credit for some common sense about the proper and legitimate way of achieving their objectives within the spirit of the British North America Act, almost exactly within its text, and certainly within the limits of proper democratic procedure. I apologize for going into all these matters. They are all obvious. They are notorious, and we all know about them. But if my hon. friends will fight the obvious and the notorious, then one must necessarily discuss the obvious and the notorious.

In the absence of a legislative assembly in Newfoundland that could pass an address which would have put this matter through without any question at all, they were thrown back upon what I would suggest to this assembly is a much more democratic procedure than even an address of a legislature. They went back to the fountainhead of all authority under any democratic government, the people themselves. They submitted two plebiscites, the second of which presented to the voters of that dominion a choice between responsible government on the one hand and union with Canada on the other. May I point out that it was only by voting for responsible government that Newfoundland could put itself in the position in which it would have a legislature to pass an address to meet the objections taken by my hon. friends on the other side. That is precisely what the people of Newfoundland voted against. On the merits—going back to the fountainhead of democratic authority, the people themselves—they deliberately chose union with Canada as against that responsible government which alone would enable this matter to be resolved in the perfectly perfectionist and constitutional manner that the legal experts opposite us would recommend. The people voted in favour of union, and I suggest that it is only by a very technical attitude that it can be argued that we have here any departure in substance from either the letter or the spirit of the constitution.

The constitution does not require assent from any province. It is true the constitution requires an address. I am informed that at a very early stage of the proceedings the government of Canada made it clear that it would be glad to receive an overture from Newfoundland to come into union, but it would have no part whatever in any of the arrangements whereby Newfoundland placed itself in a position to make that overture. Therefore all of the proceedings which my hon. friends are criticizing are proceedings which were conducted under the auspices of the Newfoundland government and the government of the United Kingdom. To put themselves in a position to make an overture to Canada, these two governments supplied what, under the circumstances, was the best substitute for an address that could be obtained. The resolution introducing this bill, as drafted by the legal experts of the United Kingdom, Newfoundland, and Canada, is the result. My hon. and learned friend, the hon. member for Calgary West, referred to a certain portion of the resolution reading as follows:

> The agreement containing terms of union between Canada and Newfoundland set out in the schedule to this act is hereby confirmed and shall have the force of law notwithstanding anything in the British North America Acts, 1867 to 1946.

Then he says that, because of those words beginning "notwithstanding", he must as a lawyer hold that this must be an amendment to the British North America Act, because any time you use those terms in an act, unless it is merely for the extension of the act, it must be an amendment. Well, I think my hon. friend has a rather short memory, or perhaps he has not had much municipal experience. Anyone who has had experience of that sort can point to countless cases where municipalities come along with, say, a money bylaw. The circumstances are such that they cannot follow the procedure outlined in the municipal act, or there may have been some carelessness and they did not obey it. When they have committed this faux pas or omission, or if they find it impossible to comply with the procedural provisions of the municipal act, the usual thing is that the municipal bylaw which otherwise would be defective is ratified. It is ratified generally in the first place by order in council confirmed later by a provincial statute; and in many cases that provincial statute is said to be an amendment to the municipal act. The statute books are full of them; but it is an amendment only in the sense of curing some procedural difficulty in that specific *ad hoc* case.

Mr. Smith (Calgary West): But this is the British North America Act.

Mr. Garson: It does not make any difference; the principle is exactly the same, and the analogy is very close. There is no use in my hon. friend shaking his head; I took the opportunity during the dinner hour to check this up with people who know better than he does or I do—

Mr. Smith (Calgary West): Maybe.

Mr. Garson: —and they confirm my view. If my hon. friend stops to reflect, I think he

will come to the conclusion that all the law officers who had anything to do with this matter would be in that group.

Mr. Smith (Calgary West): Who are they?

Mr. Garson: The law officers of the United Kingdom, Canada and Newfoundland.

Mr. Smith (Calgary West): You met the law officers of the United Kingdom at the dinner recess?

Mr. Garson: Oh, no; I did not say that. Now, sir, it is only in this narrow, technical, police court sense that this can be said to be an amendment of the Canadian constitution.

Mr. Smith (Calgary West): I admit that, and you don't.

Mr. Garson: In that sense it is true that you must state in the act that this is confirmed notwithstanding the British North America Act. What does that mean? It means notwithstanding the fact that Newfoundland, not having a legislative body, was not in a position to present an address, this is confirmed. Newfoundland did—I will not say the next best thing, but I think a better thing. It went back to the people themselves and then, with the result of the plebiscite in place of the address, it went to the three governments concerned. Under those circumstances, of course, seeing that there was a procedural deviation from the terms of the act, it was necessary to say that this shall be so notwithstanding the British North America Act. But, sir, in no substantial or honest sense whatever can it be said that this is an amendment of the Canadian constitution. The obvious test of that is to ask whether there is anything in this section which is of general application to all the provinces of Canada, and the answer must be no. So when the hon. member for Calgary West (Mr. Smith) said he wanted to know whether this was an amendment of the constitution and I said the answer was no, this is my proof for the answer I gave.

It would be very interesting to speculate as to what would be the result of this perfectionism that is urged upon this house by hon. members opposite. The only way you could comply with the constitution to the last jot and tittle would be by washing out all the proceedings to date, giving back to Newfoundland responsible government, the very thing against which the people voted in the plebiscite, to the end that then they would have a legislature which could adopt an address that would comply with the section upon which my hon. friend the leader of the opposition (Mr. Drew) hangs his centralization argument. What an argument!

If you did not do that you might adopt the other course that some other speaker recommended; that is, that in the present state of affairs we should obtain the assent of the provinces, which section 146 does not require at all. If you did that would you require a majority of the provinces, and what would be the nature of that majority? The leader of the Social Credit party (Mr. Low) said he thought it might be a two-thirds majority. Suppose you had, as we did in the dominion-provincial agreements, seven provinces on one side and the two most populous on the other. Would you say that was a majority? Or would it have to be all the provinces but one? Or all but two? Or what would it be? In the meantime this agreement, which believe me has been achieved after long months of negotiation and not without some difficulty, would be placed in jeopardy. Under those circumstances I think it is not too much to say that, while hon. gentlemen opposite make a great profession about being in favour of this union with Newfoundland, if they had held the opposite view and were strongly opposed to that union they could not have adopted a more ingenious technicality or a better way of frustrating the union and stultifying the attempts to achieve it than that which they have now adopted.

For that reason, sir, and in order to enlighten the hon. member for Calgary West, who was so anxious to have me break my silence, I can say that I propose to vote against the amendment and for the motion.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there was one remark made by the hon. member for Calgary West (Mr. Smith) with which I am in agreement. I hope I state his point correctly; for, as I understood the hon. member, he feels that the main reason we have the kind of problem with which we are wrestling in this House of Commons today is the lack of any provision in the British North America Act for its own amendment. I agree with him. As has already been suggested by my leader, the member for Rosetown-Biggar (Mr. Coldwell), this brings into bold relief the need for finding a formula for the amendment of the Canadian constitution within our own land.

I confess, however, that there are two things about the debate today that bother me. First of all, it seems strange to me that we should have all these technical and legalistic arguments about this method of securing an amendment to the constitution, when the subject before us is one concerning which there was some mention in the original British North America Act, as pointed out by the Minister of Justice (Mr. Garson). To that extent, namely, in view of what is in section 146, our general contention that there is no provision for amending the British North

America Act has to be qualified. There is in fact a provision for amending our basic constitution in the matter of bringing new parts of British North America into confederation.

I am not going to rehearse the demonstration of the obvious which the Minister of Justice has just given to us. But it does seem strange to me that, in relation to this subject about which there is some mention in the British North America Act, we should have all these technical and legalistic arguments.

The other thing that has bothered me in this debate, Mr. Speaker, was brought home during the speech, both before and after the dinner recess, by my hon. friend the member for Lake Centre (Mr. Diefenbaker). In common with other members of this house, I always listen with a great deal of interest to the speeches the hon. member makes. I enjoy the way in which he builds up his case, and the use he makes of the material upon which he draws. No man in this house studies more or shows more background in the speeches that he makes. But this evening, he did something—possibly he was unconscious of what he was doing—which amazed me. The member told this house of the position taken by his party in 1946. He stated that position correctly. He referred to the amendment that was moved in that session by himself, and he was correct in saying that that amendment was identical in form with the amendment that is now before the house. What was the issue before us at that time? The question was a request for an amendment to the British North America Act to provide for redistribution. The hon. member and his party took the view in 1946 that we should not ask for or be able to obtain an amendment of that character by a simple majority vote in this House of Commons. When the hon. member finished, I asked if he would permit me to ask a question. Perhaps I was a little too late, since it took some time for the applause for his speech to die down. At any rate, he did not answer my question. I asked him what position his party took back in 1943, but the hon. member made no reply.

May I tell the story. I refer you, Mr. Speaker, to July 5, 1943. As a matter of fact the hon. member for Lake Centre (Mr. Diefenbaker) during the course of his remarks this evening took up a copy of *Hansard* for July 5, 1943, and quoted a certain passage from a speech delivered by my leader, so I take it he must know the position taken by his party as recorded in that issue of *Hansard*. He must have known the way in which he voted, and that the question before the house was an amendment to the British North America Act. What for? To postpone redistribution. If the hon. member for Calgary West (Mr. Smith) will permit me to agree with him on this point rather than with the Minister of Justice (Mr. Garson), I would say it was an amendment to the British North America Act. At the end of that address, there was the usual phrase that all the acts down to and including this one may be described as the British North America Acts, 1867 to 1943. In other words, it was an amendment to the British North America Act, and it was achieved by a simple majority vote of this house.

My hon. friends to the right supported the move on that occasion. The member for Peel (Mr. Graydon), who was then leader of the official opposition, spoke on the question, but during the whole course of his speech did not raise the question of reference to the provinces. The hon. member for Lake Centre (Mr. Diefenbaker) did not speak at all. Only one member of the Progressive Conservative party raised the question at all, and that was the member for Saint John-Albert (Mr. Hazen), but he and the member for Lake Centre, the member for Peel and the whole of the Progressive Conservative group who were in the house at that time voted for the amendment. In other words, in 1943, they gave their approval to the principle of securing an amendment to the British North America Act by the simple process of a majority vote in this House of Commons.

I may say to my hon. friend the member for Lethbridge (Mr. Blackmore), who was also protesting a short time ago the consistency of the stand his group had taken, that his group took the same stand. They voted with the hon. members to my right and the majority of those opposite to support this amendment in 1943. There were few members in the house at that time who voted against that amendment. I believe there were nine, all of whom came from the province of Quebec.

When one reads the debates on these two occasions, 1943 and 1946, one cannot but notice the interest members had in the end result of the amendment that was being sought. In 1943, the amendment was to postpone redistribution, and it seemed to be to the advantage of Ontario and all provinces west. In 1946, the amendment seemed to be to the disadvantage of Ontario and the provinces west.

An hon. Member: The war was over.

Mr. Knowles: Oh, my hon. friends are saying it was an emergency, but I do not find the hon. member for Stanstead (Mr. Hackett) joining in that excuse. He was not in the

house, but he could tell his fellow members about emergencies.

Mr. Hackett: He was resting at that time.

Mr. Knowles: He can tell his fellow members what he thinks of the use of that word "emergency". All of us who were here on both of those occasions know the reason in the main for the parties taking the stand that they did. The interest was in the end result to be achieved.

Mr. Graydon: The interest was in the war, and you know it.

Mr. Knowles: My genial and hon. friend (Mr. Graydon) knows very well—

Mr. Graydon: And so do you.

Mr. Knowles: —that, had redistribution been put through before 1945, the result would have been a decrease in the number of seats in the province of Ontario.

Mr. Hackett: For the C.C.F.

Mr. Knowles: No, in the total number of seats allotted to the province; so he and his party were quite prepared to agree to a postponement of redistribution, even though it involved an amendment to the constitution by means of a simple majority vote in this house.

I want to say a further word, Mr. Speaker, about the remarks made by the hon. member for Lake Centre (Mr. Diefenbaker). During the course of his speech, if I heard him correctly, he said that his party has taken this position right from confederation down to the present day. He quoted back only as far as 1946, however. But some of us can remember back to 1943, when the opposite stand was taken.

May I say a further word about my hon. friends to my left—the Social Credit group—who are telling us that they do not like us to characterize their attitude as the balkanization of Canada. They say that down through the years they have been consistent in their attitude on this question. But the facts are that in 1943 the Social Credit party voted with the rest of us for an amendment to the British North America Act by the simple means of a majority vote in this House of Commons. Come 1946, and this house had before it, on the same kind of motion, the amendment moved by the hon. member for Lake Centre. At that time my hon. friends in the Social Credit party voted for that amendment, which asked that redistribution be postponed until the government had had satisfactory consultations with the provinces. Then, lo and behold, after that amendment had been defeated, after they had demanded consultation with the provinces, they turned around and split with their Tory friends and voted for the motion, which helped to achieve an amendment to the British North America Act by the simple process of a majority vote in this House of Commons.

I have already referred to the fact that there are some Liberals who are equally inconsistent; because there were a number of them in 1943 who, when redistribution was being postponed, did not like it. A number of them, including my good friend the hon. member for Temiscouata (Mr. Pouliot), voted against it. In 1946 the Liberals turned around the other way, and all of them were quite prepared to vote for redistribution by the simple process of a majority vote in the House of Commons.

I suppose I should complete the record and say what our own party did on those occasions, although I am sure that if I set out to do so someone will interject and say that I am trying to hand bouquets to ourselves. But the fact is that we voted the same way both times, and intend to do so again this time. We voted for the amendment in 1943 even though it might have been said at that time that it was to our political advantage. We took the same stand and voted for the same principle in 1946, even though at that time it might have been regarded as being to our political disadvantage.

The points that I am trying to make in all of this, Mr. Speaker, are two in number. On the one hand, it seems to me that we should try to achieve some consistency in the stands we take in this house. I have collected a few old volumes of *Hansard* since the hon. member for Lake Centre spoke before the dinner recess, and there was one other I should like to have found if I had had the time. It is an ancient volume in which a former leader of the Progressive Conservative party—

Mr. Cruickshank: Which one?

Mr. Knowles: —the late Lord Bennett, made a statement with regard to parties and members who say one thing at one time and something else at another. It is a classic from the lips of the late Lord Bennett, to the effect that the people of this country expect something better of their public men than that, that they expect all of us to be consistent in the stands that we take.

The other point I wish to emphasize is the one with which I started out, and on which I find myself agreeing with the hon. member for Calgary West (Mr. Smith). This whole business brings into bold relief the necessity for proceeding with the proposal made by the Prime Minister in his radio address not long ago: the necessity of finding a formula by means of which we make clear just how our

constitution can be amended with due regard for such rights as must be protected. In the meantime, with this question before us, in view of the fact that the procedures followed have been those laid down, and in view of what seems to me to be the excellent case just made by the Minister of Justice (Mr. Garson), it seems to me that this house will be carrying out the constitutional provisions of 1867 by defeating the amendment moved by the leader of the opposition and passing the main motion.

Mr. T. L. Church (Broadview): Mr. Speaker, I wish to congratulate the house on the good temper which has been exhibited in this debate. Since I have been a member of the house I have seen the British North America Act rigged out in a coat of many colours. The last two speakers especially seem to show that they have a single view and a single heart at the present time. I refer to the Minister of Justice and the whip of the C.C.F. While the Minister of Justice wishes to abolish appeals to the privy council, which is the key to the British North America Act, a predecessor of his in office, Sir Charles Fitzpatrick, who was Chief Justice of Canada, counsel for Louis Riel in Regina many years ago, and a leading member of the bar, opposed the abolition of appeals to the privy council. So did Sir Allen Aylesworth, a brilliant lawyer and former Minister of Justice.

How did the Minister of Justice ever win Marquette? He owes it to the Conservatives. I am surprised that today we have in Manitoba and British Columbia a union government. I remember the decisions of the privy council. Let me say to the Minister of Justice that he owes his election, as the hon. member for Marquette, to the Conservatives who supported him.

Mr. Knowles: The truth will out.

Mr. Church: Today he agrees with the C.C.F. We have two individuals with a single view and a single heart on this question of the abolition of appeals to the privy council.

There was another leading Minister of Justice, Sir Allen Aylesworth, who gave a strong opinion. I have a great deal of respect for the present Minister of Justice. We have heard a great deal about him. I believe he will measure up to the hopes expressed by his supporters. But Sir Allen Aylesworth made a strong speech against the abolition of appeals to the privy council.

What put the Laurier government into office in 1896? It was the decision of the privy council. Thomas Greenway won a great victory in Manitoba on the Manitoba school question on a decision of the privy council. From 1908, on, that constituency went Conservative six or seven times.

I support the policy of my leader in connection with this bill. When the matter was referred to by the hon. member for Lake Centre in a speech on June 6, 1946, he quoted, from a debate of February 18, 1925, the opinion of Mr. Lapointe who was then Minister of Justice. It was on a motion of mine for constitutional and parliamentary reform that he made that speech. The former Minister of Justice, who was well liked in this house for his many fine qualities, said in his speech that he believed that any decisions about the British North America Act must be settled in the light of the present situation—by the men of today, said Mr. Maclean, of York South.

I have contended that we wanted the British North America Act for the living and not for the dead, and Mr. Lapointe agreed. On February 18, 1925, he said that it could be amended only at the will and at the request of the dominion parliament; but those who are just as much interested in this matter as the dominion parliament must have their say, must be consulted—meaning the provinces. It will be seen, therefore, that the authorities still differ.

I support the policy of my leader. He wants to consult the provinces, get their opinion on it at once, and then address His Majesty accordingly.

Another matter comes up, as to whether you are going to propose to change section 51, of the British North America Act, which deals with representation, giving Quebec sixty-five members, and section 21, which deals with the Senate, and sets out the respective divisions for Ontario, Quebec, and so on.

I remember away back in 1935, when the late Lord Bennett was leader of the Conservative party, the same debate went on as had been heard in 1925. Mr. Bennett, as he was then, as Prime Minister of that day, proceeded to set up a committee. I was asked to serve on it, but I did not like to do so. This was a special committee of the House of Commons which considered the whole British North America Act. That committee had before it the various heads of departments, including the late Dr. Skelton, and the then deputy minister of justice. There also appeared Professor Kennedy and Professor Scott. It was established before that committee that the first seven appeals to the privy council to amend the British North America Act were made without the consent of the provinces. Those appeals were of a great variety.

Could sections 91 and 92 of the British North America Act be changed by a majority vote if privy council appeals were abolished? Could section 133, which deals with the

French language be changed in like manner? My contention has been in conformity with the view held by an earlier Minister of Justice, who contended that representation of the various provinces in the House of Commons was not a matter exclusively within federal authority.

During the debates in the house for many years past, when discussion was heard respecting appeals to the privy council, I have taken the view that as the British North America Act was a statute, and as it was the written constitution for Canada, it could not after 1931 be altered without the consent of the provinces. I held that minorities had rights under the British North America Act, the same as majorities; and I held further that, under the British North America Act, 1867, the rights of minorities were guaranteed. The provinces were to be consulted regarding those rights.

I also referred to the acquisition by the United States of the territories of Alaska and Louisiana, the latter by means of agreement and treaty with France, which vested in the United States of America the guaranty of language and religion. Then Huey Long came along as governor of that state and, while he supported the Washington administration, wanted to change the whole thing. He did so and got away with it.

If ever Canada got the right completely to amend its own constitution, then we might as well say that the British North America Act would be an act of the majority of the people, and that this parliament, at will, could change section 133 and every other section accordingly. That is a fact; and it is the view I have taken on this matter on other occasions.

May I at this point examine two other features of this proposal, the first of which has to do with the Statute of Westminster, and the legal status of Canada under that statute. Let me refer to the basis of this whole study. In this, the second part of my address, may I make reference to the status we have acquired. If we are to understand how the Statute of Westminster affects Canada, we must first look at certain facts in connection with that statute. Let us first look at what it is. It is a rule of strict law. The British North America Act is also a rule of strict law. But Great Britain has had no strict law as her constitution; she has had an unwritten constitution—a constitution made up of usages, precedents, customs and maxims.

But in the Statute of Westminster we have a fixed statute which must be construed strictly, as Professor Wheare, of Christ Church, Oxford, says in his splendid text book which is often quoted in the British courts and in the British parliament. In 1933 Newfoundland surrendered her status as a dominion. The second part of the consideration of this matter refers to the realm of law. These are non-legal rules. They are not illegal; but the British empire was founded on them.

These unwritten rules, practices, maxims, customs, usages and conventions are described in a leading text book by Dr. Dicey. In it he points out that Great Britain has and always has had an unwritten constitution, and he states that she has depended for her constitution upon these maxims, customs and usages to which I have referred.

Now what is the difference between the first of these, namely, a fixed written statute like the British North America Act, which is construed strictly by the courts, and this second form of constitution, the rights, customs, maxims and usages of the mother country?

The Statute of Westminster is a constitution; it is strict law. It is construed strictly by the courts. Dominion status cannot be decided by the rules of strict law. The most important rules are to be found in the constitutional conventions agreed to at imperial conferences. These rules were declared at the imperial conferences of 1921, 1926 and 1930. And up to the Statute of Westminster, 1931, this organization of constitutional conventions in law has long been felt in the history and development of the British empire, both in their government of these communities and in their relations with each other. This is backed up by executive and legislative powers.

It was asserted that Great Britain and the British empire has an unwritten constitution. Some members in the parliaments in the United Kingdom and the dominions objected to the proposals to pass this statute, not because of the terms of the statute, but because of the fact that it was a fixed written statute.

Lord Buckmaster, at one time lord chancellor, stated, in the debate on second reading of the bill in the House of Lords, that he felt the bill had been a mistake. I said at the time that I looked upon it as one of the most mischievous statutes with which he ever had to deal—a statute which to a very large extent caused the second world war. And as I pointed out, it had led to separatism, isolationism and all that kind of thing.

I agree with what Lord Buckmaster said, when he pointed out that it was the first time an attempt had been made to put into the form of an act of parliament rules which bound the various parts of the empire, and pointed out that in his opinion it was a great mistake.

Newfoundland

Lord Buckmaster stated further that the men who had made that country—and he was referring to Great Britain—had brought it to its present state by an unwritten constitution. He said that Great Britain had never had a written constitution of any kind, and that the consequence was not much, despite the serious mistakes which had been made. He pointed out that, so far as possible, they should avoid putting their constitution into the unyielding form of an act of parliament, such as the Statute of Westminster.

Then the Hon. W. L. M. Hughes, formerly prime minister of Australia, gave his views, as they were expressed at the imperial conference of 1921. He said it was unnecessary to lay down in black and white a constitution for the British empire, and pointed out that the United Kingdom has a constitutional structure based upon maxims of one kind or another. There are certain countries that have written constitutions, such as France, the United States, the U.S.S.R., Sweden and Switzerland. Some of the dominions have adopted the Statute of Westminster but for certain reasons New Zealand and Australia did not adopt sections 7 to 13 until recently and Canada also varied them.

I should like to quote an authority on the Statute of Westminster, Professor K. C. Wheare, who is quoted quite often in the House of Commons. In a chapter dealing with the statute and the legal status of Canada he says:

> Thus dominion status, after the passing of the Statute of Westminster, as before, though its predominant characteristic is conventional equality of status, contains legal ingredients which are different and are unequal from one dominion to another. Apart from this common ingredient of conventional equality, the recipe differs in each case to a greater or less degree.

And again:

> The fundamental fact in the case of the Dominion of Canada was that it was a federation. The powers and functions of the federal and provincial parliaments and governments were demarcated and their existing distribution was guaranteed by an act of the United Kingdom parliament, the British North America Act, 1867. This act was unalterable in essentials by the federal or provincial legislatures in Canada; it was completely alterable by the United Kingdom parliament only. From 1867 to 1930 inclusive, it had been amended seven times by that parliament. No clear rules regulated the procedure by which amendments of the British North America Act, desired by the provincial or federal parliaments in Canada, should be transmitted to and executed by the United Kingdom parliament.

There was one amendment in 1871, one in 1875 and then there were amendments in 1886, 1907, 1915, 1916 and 1930. A committee was appointed in 1935 by my former leader to consider the British North America Act in the light of the changes that had been made.

Many learned men gave evidence before that committee. I quote again:

> But there was not only the question whether amendments should require the request and consent of the dominion parliament as well as of the dominion government. There was the further and more important question whether amendments should require the request and consent of all or of a majority of the provincial parliaments and/or governments. The usage here was that in six out of the seven amendments, action was taken by the United Kingdom parliament as a result of requests from the dominion government or parliament without consulting or seeking the consent of the provinces generally. The amendments of 1871, 1886, and 1915 affected either all or some of the provinces and none of them was consulted. The amendment of 1930 affected certain provinces and these alone were consulted and their consent obtained. The dominion government and parliament evidently did not consider themselves bound by a convention to consult all the provinces or to obtain their consent.

In 1907 they did not consult British Columbia. As I say, various professors gave evidence before Mr. Bennett's committee and they found that some very drastic changes had been made in the whole procedure from that date. I continue:

> These possible consequences were taken into consideration by the O.D.L. conference of 1929. It was realized that the question of alternative methods of amending the British North America Act was a matter for future consideration by the appropriate Canadian authorities, and that, pending some agreed change in the process, the existing system should remain unaltered by the Statute of Westminster. It was thought necessary also to make an express declaration that the passing of the statute in no way increased the area of the powers possessed by the dominion parliament in such a way as to authorize the parliament "to make laws on any matter present within the authority of the provinces, not being a matter within the authority of the dominion."

The leader of the government at that time, the Right Hon. R. B. Bennett, was able to secure at the imperial conference in 1931 the inclusion of the following two sections in the statute:

> (1) Nothing in this act shall be deemed to confer any power to repeal or alter the constitution acts of the Dominion of Canada, the Commonwealth of Australia, and the Dominion of New Zealand, otherwise than in accordance with the law and constitutional usage and practice heretofore existing.
>
> (2) Nothing in this act shall be deemed to authorize the parliaments of the Dominion of Canada and the Commonwealth of Australia to make laws on any matter at present within the authority of the provinces of Canada or the states of Australia, as the case may be, not being a matter within the authority of the parliaments or governments of the Dominion of Canada and of the Commonwealth of Australia respectively.

I quote again:

> The report of the O.D.L. conference was unanimously approved by the Canadian House of Commons in May, 1930, after some criticism by members of the Conservative party, then in opposition. At the general election of July, 1930, the Conservative party, under the leadership of Mr. R. B. Bennett, was returned to power. Before Mr. Bennett left for the

imperial conference of 1930 he received from the premier of Ontario, Mr. Howard Ferguson, also a Conservative, a memorandum in which the terms of the proposed statute were severely examined. In particular the two clauses quoted above were criticized as vague and inconclusive, and it was asserted "that no restatement of the procedure for amending the constitution of Canada can be accepted by the province of Ontario that does not fully and frankly acknowledge the right of all the provinces to be consulted and to become parties to the decision arrived."

After that Mr. Bennett called a conference here in Ottawa in 1931 between the federal and provincial governments, and I quote again:

It appears that the provincial governments had two main demands to make. First of all they wished to have the wording of the section proposed by the conference of 1929 revised so as to make quite certain that the passing of the statute would not alter the method by which the British North America Act was amended. In the second place they wished to have the fetter imposed by the Colonial Laws Validity Act upon provincial legislation removed. In other words they wished the provisions which came to be enacted as section 2 of the statute to apply to the provincial legislatures as well as to the dominion legislature.

This 1931 conference of federal and provincial governments was not like the last conference we had which sought to implement the Sirois report and put all the debt on the two central provinces. It was not that kind of haphazard policy. They are talking now about another amendment to unload the railway debt on the two central provinces by another inquiry. This was a very wise proviso, and one which is badly needed at the present time. My late leader, Lord Bennett, had the correct idea. I continue:

Agreement upon these two questions was unanimously obtained at the conference and appropriate clauses were drawn up. These were adopted by the Senate and the House of Commons in June, 1931, and as a result of them an address from both these houses was included, in the identical form in which they were proposed, in section 7 of the statutes. The extension to the provincial legislatures of Canada of the powers granted to the legislatures of the dominion by section 2 of the statute was carried out in subsection 2 of section 7. The subsection enacted: "The provisions of section 2 of this act shall extend to laws made by any of the provinces of Canada and to the powers of the legislatures of such provinces." This is the most startling innovation inserted in the terms of the statute between the drawing up of the schedule by the imperial conference of 1930 and the enactment of the statute in 1931. The proposal had not been discussed at the conferences of 1926, 1929 and 1930. The provinces had not been represented at these conferences, any more than had the states of Australia. But it is probably not true to say that the extension of the terms of section 2 to the Canadian provinces at the last minute, so to speak, was unauthorized by the conference of 1930.

These are acts and they cannot be changed. They passed the House of Commons and they passed the Senate. Amendments were made by my late leader, and those amendments passed both houses of parliament. Let me point out to the people of the province of Quebec that, as I believe, minorities have the same rights under the British North America Act that majorities have. I believe that it would be a mistake to abolish appeals to the privy council. Under section 133 of the British North America Act the people of the province of Quebec need have no fear as long as the privy council is there. Their rights are protected. I am very much surprised at the views which have been expressed by various ministers. Since I have entered this house I have had many fine friends among members from the province of Quebec. I admire and respect them, and I can tell them that if it were not for section 133 of the British North America Act the situation might be quite different. I can refer them to what happened in Louisiana.

Let me warn the house now, as I warned it before when this matter was up in 1925 in connection with a motion which I offered, and on which Mr. Lapointe spoke about parliamentary reform. At that time I was urging a British North America Act for the living and not for the dead. Again in 1935 a committee of the House of Commons was appointed to study the whole British North America Act, and they validated everything that I had said. I can tell the people of the province of Quebec that they will have to be careful not to lose, by abolishing the great legal protection the privy council gives them, their rights under section 133 of the British North America Act. We do not know what kind of people will be in parliament in the future. We cannot tell what is going to happen in 1950 or 1955 to the Dominion of Canada. We have had two wars, and there are threats of another world war at the present time. We cannot predict what is going to happen in the Canada of the future. If we have the British North America Act it will mean a great deal, particularly the various sections I have named. We should not allow it to be made a scrap of paper only. What kind of government are we going to have in Canada? We do not know. There has been talk about abolishing the Senate, and all that kind of thing. There was a suggestion by the C.C.F. that the Senate be located in Hull, but I can tell you that it will be a sorry day for the people of this country if in Ottawa we have only one house of parliament with a majority vote to handle the business of the nation and, at the will of any majority, turn the British North America Act into a mere scrap of paper. It will interfere with the rights of minorities, and I believe that minorities have rights just as

well as majorities. It will be a sorry day for this country if anything like that ever happens.

Mr. E. G. Hansell (Macleod): Mr. Speaker, to clarify my own position I desire to say a word or two on the amendment. Before doing so, however, I should like to refer to the remarks that were made by the hon. member for Winnipeg North Centre (Mr. Knowles) when he attempted to show that this group was somewhat inconsistent in our vote upon the measure for redistribution some years ago, and our vote upon the amendment that was moved thereto. Perhaps my hon. friend thought he had a rather sound argument. I will not deny that he had some shred of legal argument on the point, but I think if we analyse the situation as it existed then in respect to redistribution we will find that what we in this group were actually doing then was to protect the interests of the provinces.

The measure requiring certain amendments to the constitution in order that redistribution might be deferred was introduced because there had been a shift in the population, and that shift in population left some of the provinces of Canada at a disadvantage. We voted for an amendment that was worded exactly as this one is worded because we desired that the matter should be referred to the provinces for consultation. The amendment was moved by the hon. member for Lake Centre (Mr. Diefenbaker). We voted that way because we thought the provinces should be consulted in the matter.

When the main motion was put, realizing that it would protect the provinces because of the shift in population, we voted for it. We see no inconsistency there whatsoever. If the main motion had been in any way detrimental to the provinces we certainly would not have voted for it. May I also suggest that the redistribution measure was not something that was as important as this matter, for the reason that there was not really a principle involved in it. It was a matter of seats in the House of Commons here; and if we had carried out redistribution at the time it would not have been fair to the provinces by reason of the fact that their citizens were living temporarily in other parts of the country.

I favour the amendment, Mr. Speaker; and in doing so I do not look upon it as constituting a motion of non-confidence in the government. I say that because the bill ratifying the agreement and admitting Newfoundland into Canada as the tenth province has been passed, and all parties in the house evidently were in favour of it. If we had been against the measure and had voted that it be referred to the provinces before ratifying the agreement, then such an amendment would have been a motion of non-confidence; but we voted for the admission of Newfoundland as the tenth province and now we are saying that, since we have ratified the agreement and have given our support to the action of the government, we would like to see it referred to the provinces for consultation. To my mind, all the amendment does is to show a desire on the part of this parliament to give the provinces an opportunity of expressing themselves in respect to a people who are to become partners with them in constituting a larger Canada. It seems to me that is a reasonable attitude to take. I think we may presume the provinces are quite willing to welcome this new partner; and if that presumption is correct would it not be pleasing to the people of Newfoundland to know that the nine provinces of Canada were in accord in welcoming them into confederation? I think that would be a good thing to do. If there are any misgivings that any of the provinces are not favourable to welcoming this tenth province, then perhaps the sooner we know it the better, because it may only create complications after we are finished with the matter.

I listened with some interest to the speech this evening by the Minister of Justice (Mr. Garson). He rather ridiculed any thought that there might be a principle of centralization opposing this amendment. I do not agree with him there. In this present day there is a constant urge the world over for the bringing in of this principle of centralization. I do not believe this is done by any casual series of happenings; there is no question in my mind but that it is done by design. There are two world philosophies. One is that of effective democracy, which leads to the freedom of the people. The other world philosophy is one of authoritarianism, which leads to world dictatorship. That is all there is to it, to my mind; that is the only great issue in the world today, notwithstanding all the various groups affiliated with political organizations. And there is a continual urge the world over to apply this principle of centralization.

In my opinion, Mr. Speaker, we are dealing with a principle in this amendment; and principles do not change. Principles are either right or wrong; and the principle of centralization is the principle of authoritarianism which in the final analysis leads to world dictatorship and world stateism. That principle is right or wrong. Some people may believe it to be right, but that is the issue, right or wrong; and the defeat of this amend-

ment would give the provinces or sections of our people reason to accuse us here of using authoritarian methods, at least in this piece of legislation.

The amendment has been proposed by the leader of the official opposition (Mr. Drew), who leads the Conservative party in this country. The hon. member for Lethbridge (Mr. Blackmore) has mentioned already that it is not a matter of voting with the Conservatives or with some other party. That might be what is in the minds of hard and fast machine politicians, but the issue is whether we are to vote for something that is right or something that is wrong. If our Conservative friends propose something we believe is right, we will vote for it. If on the other hand they propose something that is wrong, then we will most vehemently oppose it and vote against it. I know that in the past when we have voted for that which we have believed to be right and our Conservative friends have been like-minded, it has left the impression throughout the country, and certain sections of the press have tried to make it appear, that in their philosophy and beliefs the Social Crediters in reality are Conservatives politically. Well, Mr. Speaker, nothing could be further from the truth. As far as political parties are concerned, we desire to travel a road which is consistent with the fundamental beliefs embodied in our social credit position.

May I say this, that our C.C.F. friends, my socialist friends, sit next to me—and by reason of that I have to try to love them as best I can. They are very fine gentlemen. I do not know whether they believe all they say they believe, but they are very fine gentlemen anyway. I agree with my hon. friend the member for Calgary West (Mr. Smith) that, whenever there is a measure before the house, the theme of which is the centralization of power, we can depend upon the C.C.F. to support it. I am not saying that in criticism of them. In fact, I think it is a commendation because, on this measure, they will run true to form and support it.

If there is any reflection upon any party, it is a reflection on the party that now holds office in this country. It will be a reflection for this reason, that they will go throughout the country and, by word of mouth, preach decentralization, the recommendation of provincial autonomy, democracy, free enterprise, freedom and all the rest of it. Mark you, Mr. Speaker, they will go throughout the country in a few months' time preaching those things; yet by legislative action they deny what they say with their lips. During the war years we felt there might be some excuse for that, but that excuse no longer holds good. Let us remain an absolutely free people. Let us do all we can to protect the autonomy of the various provinces of this country. In referring this matter to the provinces, we are referring it to them so they can be satisfied we are not stepping over their heads and railroading something through which they themselves do not want.

I call your attention, Mr. Speaker, to the wording of this amendment. The wording of this amendment does not ask that the provinces agree. It does not mention anything about a right or a wrong constitutional interpretation. As I read this amendment, it simply says to the government that we, as a parliament, are asking them to consult the provinces. After they have received the views of the provinces, then we will move an address to His Majesty.

May I read the main portions of the amendment?

> And whereas it is desirable that the government of Canada should consult with the governments of the several provinces in respect to the said matter—

Now, is that desirable? I do not see anything undesirable about it.

> —now therefore be it resolved, that the government of Canada be required to consult at once the governments of the several provinces and that upon a satisfactory conclusion of such consultations, a humble address be presented to His Majesty—

And so forth.

I claim that that would be the proper thing to do so that no accusation could be leveled either at the government or at parliament that we are going beyond our authority or that we are refusing to consult the provinces. Surely the provinces should be entitled to express their views when another partner is to be admitted into this great Canadian corporation.

There is one other matter, Mr. Speaker, which I should like to mention. This afternoon the Minister of National Defence (Mr. Claxton), who has been one of the main speakers for the government in this debate, made a statement at which I was very much surprised. He expressed considerable alarm at this amendment having been made. I think the words he used, and I will stand correction while awaiting their appearance in *Hansard*, were that this was a sort of surprise move. I am sure the minister could not possibly have meant that, Mr. Speaker. The minister is an intelligent man. I have always regarded him as such. He is a very able man and a clever lawyer. Surely, he could anticipate any move that might be made in the course of one short debate. Surely, he could diagnose or, to use a favourite word of mine, prognose the situation. One would think he could anticipate any future move that might be made. He is a responsible minister of the

crown, a very responsible minister, for under his direction is the national defence of this country. In the world in which we are now living, that is an extremely important department. Surely, he is not going to say that, in his department, he does not anticipate what is going to happen in the future. One would expect he would look ahead. Surely, he must have been farsighted enough to realize the possibility of an amendment such as this being brought in at this time, whereby the matter could be referred to the provinces.

If the amendment had been made before the bill was passed, as I said before, it would have constituted a non-confidence vote. At that time, we could have been accused of holding up the measure. But we did not hold it up, we co-operated in seeing that the measure was passed. Now that it has passed, all we ask is that the sovereign rights of the provinces be preserved and that they be consulted in this matter. The amendment is a reasonable one. Its passage will be a magnanimous gesture towards the provinces and will surely satisfy the people of Newfoundland that they can be welcomed into Canada with unanimity. For that reason, Mr. Speaker, I am voting for the amendment.

On motion of Mr. Raymond (Beauharnois-Laprairie) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. St. Laurent moved the adjournment of the house.

Mr. Graydon: What is the order of business for tomorrow?

Mr. St. Laurent: We will continue this debate and then take up the act to amend the statutes.

Motion agreed to and the house adjourned at 10.56 p.m.

HOUSE OF COMMONS

Tuesday, February 15, 1949

The house met at three o'clock.

PRIVILEGE

REFERENCE TO REMARKS IN DEBATE ON FEBRUARY 14

Mr. A. L. Smith (Calgary West): Mr. Speaker, I rise on a matter of personal privilege. During the debate last evening I made some uncomplimentary references to the hon. member for Springfield (Mr. Sinnott). This morning I do not think that they were either very funny or very clever. Of my own volition, and having regard to my sense of fair play and the dignity of debate in this house, I willingly and sincerely tender him my apology.

Mr. J. S. Sinnott (Springfield): I accept the apology of the hon. member for Calgary West (Mr. Smith), in the spirit in which it is given. It takes a man with a big heart to make amends to a fellow member in the way he has done by a public apology. But I hope he will be careful in the future. I hope also that the press will give the same publicity to his remarks as was given to what was reported in this morning's papers.

Mr. Speaker: In the name of all the members of the house I think I should compliment both hon. members and thank them very much.

FREIGHT RATES

SUSPENSION OF INCREASES IN EXPRESS RATES ON FISH

On the orders of the day:

Mr. R. R. Knight (Saskatoon City): Yesterday I addressed a question to the Minister of Transport as follows:

What changes in express or freight rates are effective or deferred as of today?

As we did not get to the orders of the day yesterday, perhaps the minister will permit me to broaden the scope of my question and have it read: "as of the last day or two" rather than "as of today."

Hon. Lionel Chevrier (Minister of Transport): The board of transport commissioners issued order 71,997 which suspended as of February 14 the proposed increases in express rates on fish. Those rates cover the movement of fish from the productive areas to various parts of Canada.

BULGARIA

CHARGES AGAINST PROTESTANT CLERGYMEN—IMPRISONMENTS IN ROUMANIA

On the orders of the day:

Mr. T. L. Church (Broadview): I should like to direct a question to the Secretary of State for External Affairs. Has the attention of the government been called to the arrest of several Protestant clergymen in Bulgaria by the soviet satellite Bulgarian communist government, fifteen leading Protestant clergymen having been charged with high treason, black marketing, and making what may be described as a satellite type of confession? Will any action be taken by the government in the way of protest? Will the minister also refer in his memorandum of protest to the imprisonment of several other Christian clergymen of Protestant denominations in Roumania?

Hon. L. B. Pearson (Secretary of State for External Affairs): The hon. member was good enough to give me notice of his question. I would say to him that the only information the government has about this development in Bulgaria is that which it has seen in the newspapers. As the hon. member knows, we have no representative in Bulgaria. Immediately on receipt of this information through the public press we took steps to secure if possible official confirmation of the report by asking friendly governments who were represented in Bulgaria to obtain information as to the validity or otherwise of those reports. We have not yet received replies to those inquiries and when we do we shall be in position to decide what action, if any, will be taken.

TRANS-CANADA HIGHWAY

INQUIRY AS TO AGREEMENTS WITH PROVINCES

On the orders of the day:

Mr. Howard C. Green (Vancouver South): Press dispatches indicate that the Minister of Mines and Resources made a statement yesterday to a delegation concerning the trans-Canada highway. The dispatch seems

to indicate that the government has reached certain decisions respecting the highway. I should like to ask the minister whether any agreements have been made with the provinces and if so, will he table them in the house? Is he prepared now to make a statement about the highway?

Hon. J. A. MacKinnon (Minister of Mines and Resources): Mr. Speaker, it is much too early to make any worth-while statement as to the progress being made. The Department of Mines and Resources is in communication with the ministers of highways in the various provinces as to the route of the highway through their particular provinces, and the kind of road to be constructed. I think that is as far as the statement went that I made yesterday to a delegation from Sault Ste. Marie. They were speaking to me principally on the matter of the route through that part of the province of Ontario. No agreements have yet been arrived at between the federal government and any of the provinces, although negotiations are actively under way.

Mr. J. G. Diefenbaker (Lake Centre): I wish to ask a question supplementary to the one asked by the member for Vancouver South. Has any determination been made whether the route of the trans-Canada highway shall be by way of the Kicking Horse pass or the Yellowhead pass?

Mr. MacKinnon: No.

Mr. Cruickshank: Where are your provincial rights now?

Mr. Diefenbaker: I would ask the minister if it is intended to rely on the recommendations of the provinces.

Mr. MacKinnon: I would say it is.

INQUIRIES OF THE MINISTRY

QUESTION AS TO PROGRESS TOWARD CANADA'S SELF-SUFFICIENCY

On the orders of the day:

Mr. J. H. Blackmore (Lethbridge): I desire to direct a question to the Minister of Trade and Commerce. Will the minister make a statement to the house some time soon giving an account of the progress the government has made since January 1, 1946 toward making Canada more self-sufficient? Will he deal in some detail with the progress that was made in 1948, and that is being made in 1949?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The question seems to suggest a very comprehensive study involving considerable research. I shall be glad to examine it. I think certain data bearing on the subject matter were tabled a few days ago in a report on the administration of schedule III of the Emergency Exchange Conservation Act. I will see what can be prepared, and give my hon. friend an answer later.

PRESS REPORT WITH REFERENCE TO USE OF TELEPHONE RECORDING DEVICE

On the orders of the day:

Mr. G. A. Cruickshank (Fraser Valley): I should like to direct a question to the Minister of Public Works, arising out of a press report. The press report reads: "Report Drew applied in vain for phone recording device". As I understand it, this device was to record—

Some hon. Members: Order.

Mr. Cruickshank: I have my question here. If this device is to be used to record what she says, may I have television to see what she looks like?

QUESTION AS TO PLANK NO. 11 OF NEW LIBERAL PARTY PLATFORM

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Minister of National Health and Welfare. Can the minister tell the house when the government intends to implement plank No. 11 in the new Liberal party platform?

Mr. Speaker: Order.

Hon. Paul Martin (Minister of National Health and Welfare): As the hon. gentleman knows very well, the policy of the government will be announced in due course.

LABOUR CONDITIONS

UNEMPLOYMENT IN VANCOUVER

On the orders of the day:

Mr. Angus MacInnis (Vancouver East): I intended to direct a question to the Minister of Labour, but as it perhaps involves government policy I will direct it to the Prime Minister. On Thursday last I asked the Minister of Labour if the government was giving consideration to assisting employable unemployed in the city of Vancouver. On the basis of a telegram received from the Vancouver district council of the Canadian Legion, I wish to repeat that question today. The telegram states that the unemployment situation in Vancouver constitutes an emergency comparable to the floods of last summer. Will the government assure the house that it will look into the situation with a view to rendering assistance?

Right Hon. L. S. St. Laurent (Prime Minister): I should not like to assure the house that the government will look into it with

a view to assisting. The government will look into it with a view to determining whether or not the situation is one that requires assistance, and then give consideration to whatever may be found in its first investigation.

Mr. G. A. Cruickshank (Fraser Valley): As a supplementary question, may I ask the Prime Minister when that will be done?

Mr. St. Laurent: I am afraid I am not in a position to forecast how long it will take. It will be done immediately, and under instructions to proceed as expeditiously as may be reasonable.

Mr. Rodney Young (Vancouver Centre): I wish to direct a question to the Minister of Veterans Affairs, based on the telegram mentioned by the member for Vancouver East (Mr. MacInnis). In that telegram the Canadian Legion provincial command states that the number of those who have been receiving veterans grants—

Some hon. Members: Order.

Mr. Speaker: Order. I would ask the hon. member to put his question.

Mr. Young: Will the minister say whether it is possible to extend the grants which have now run out, to assist veterans who are unemployed in Vancouver?

PENSIONS

QUESTION AS TO NATIONAL PLAN WITH RESPECT TO INCURABLES

On the orders of the day:

Mr. J. W. Burton (Humboldt): I should like to direct a question to the Minister of National Health and Welfare. Has the minister received representations from individuals and organizations seeking a national pension plan for incurables? Will the minister be prepared to make a statement now, or at an early day?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, the answer to the first part of the question is in the affirmative. With regard to the second part of the question, I can add nothing more at this time to what I said in answer to a similar question on Friday last.

HARBOURS AND RIVERS

VICTORIA BEACH, N.S., BREAKWATER—WORK OF CONSTRUCTION OR EXTENSION

On the orders of the day:

Mr. George C. Nowlan (Digby-Annapolis-Kings): In view of press reports relating to the danger to the fishing fleet at Victoria Beach because of the condition of the breakwater, I should like to direct a question to the Minister of Public Works. I have already sent him notice of it. Have appropriations been provided for the construction or extension of the breakwater at Victoria Beach? If work has not yet commenced on this undertaking, when will it be proceeded with?

Hon. Alphonse Fournier (Minister of Public Works): I wish to thank the hon. gentleman for sending me a copy of his question. In the supplementary estimates of last year an item of $20,000 was voted for this work. Actually our engineers in Halifax are preparing plans and specifications, and we expect to have them ready some time in March. The moment they are ready, we will ask for tenders and proceed with the work.

PRICES AND TRADE BOARD

DECISION OF ONTARIO SUPREME COURT IN MCGINN CASE

Mr. H. W. Timmins (Parkdale): I should like to direct a question to the Minister of Finance. Has the minister given consideration to the effect of the decision handed down yesterday by the supreme court of Ontario in the McGinn case as to the present validity and force of the wartime prices and trade board order with respect to prices?

Hon. Douglas Abbott (Minister of Finance): I have seen only newspaper reports of the decision in question. I have not yet received a report from the legal advisers of the wartime prices and trade board.

GANDER AIRPORT

QUESTION AS TO LANDING RIGHTS FOR COMMERCIAL COMPANIES

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I wish to direct a question to the Secretary of State for External Affairs. I should like to know under what authority the information was conveyed about two weeks ago to embassies, ministries or other official offices of those countries in which there are companies which have commercial air operations going through Gander, to the effect that they would not have commercial landing rights at Gander on and after April 1 next.

Hon. L. B. Pearson (Secretary of State for External Affairs): The hon. member was not able to give me notice of his question.

Mr. Drew: I learned about it only as I came into the house.

Mr. Pearson: I am not in a position to give the hon. member a reply now, but I will look into the matter and see if a reply can be given to him tomorrow or the next day.

Inquiries of the Ministry

NAILS

INQUIRY AS TO PRODUCTION AND EXPORTS

On the orders of the day:

Mr. H. E. Brunelle (Champlain): Mr. Speaker, I gave notice to the Minister of Trade and Commerce of the question I now propose to ask. Is the shortage of nails in Canada due to our exports? If we do export nails, I should like to know in what quantities and to what countries.

Right Hon. C. D. Howe (Minister of Trade and Commerce): The production of nails last year from Canadian steel was 1,656,720 kegs as against 1,546,490 kegs in 1947, an increase of about 110,000 kegs. All these nails were distributed in Canada.

Mr. Fraser: Under priorities, most of them.

Mr. Howe: Do you want to answer this question? It is difficult for a minister to answer a question about nails when we have a specialist in nails in the house. There was one Canadian operation which was simply a conversion process. A company was given the right to bring in United States wire to be converted into nails, and to export the product. That operation provided 59,940 kegs, part of which were exported, as follows:

	kegs
Newfoundland	238
Honduras	690
Venezuela	42
U.S.A.	36,040

Therefore of the roughly 60,000 kegs made from United States steel under the conversion agreement, about 20,000 kegs remained in Canada and the remainder were exported under the agreement.

Mr. Adamson: Were they all steel nails, or were some of them aluminum nails?

Mr. Howe: Steel nails.

Mr. H. W. Timmins (Parkdale): If I may ask a supplementary question, the minister has stated that the production of nails will be expedited in much the same fashion it was expedited last year. I should like to ask just when that expedited production will begin. Will it be in March, or April?

Mr. Howe: As my hon. friend knows, the production of nails in Canada is limited by the capacity of Canada to produce wire from which nails are made. Last year, during the period June to October, there was a diversion of wire from fencing into the manufacture of nails. That diversion is to be repeated this year, but it will start one month earlier and extend to the same termination date. In other words there will be an extra month during which wire ordinarily used for fencing will be diverted to the manufacture of nails.

[Mr. Pearson.]

Mr. Timmins: From May?

Mr. Howe: From May 1 to October 31.

FISHERIES

REGULATIONS WITH RESPECT TO CANNING OF LOBSTERS

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I know the Minister of Fisheries is waiting to answer this question, notice of which I sent him this morning. Is it the intention of the department to permit the canning of lobsters at any time of the year, provided that the lobsters are legally taken from any areas open to fishing?

Hon. R. W. Mayhew (Minister of Fisheries): The hon. gentleman was kind enough to give me notice of his question. The department now has under consideration the matter of amending the regulations under the Meat and Canned Foods Act to permit the canning of lobsters which may have been legally taken at any time of the year.

HOUSING

NIAGARA PENINSULA—ADVANCES TO PRIVATE CONTRACTORS

On the orders of the day:

Mr. N. J. M. Lockhart (Lincoln): Will the responsible minister or parliamentary assistant try to get me an answer to question No. 14 on the order paper with regard to housing in the Niagara peninsula? When it was called the other day it was allowed to stand. I am anxious to get the information.

NEWFOUNDLAND

TERMS OF UNION WITH CANADA—ADDRESS TO HIS MAJESTY THE KING

The house resumed from Monday, February 14, consideration of the motion of Mr. St. Laurent for an address to His Majesty the King respecting the terms of union of Newfoundland with Canada, and the amendment thereto of Mr. Drew.

(Translation):

Mr. Maxime Raymond (Beauharnois-Laprairie): Mr. Speaker, having already expressed my views on the constitutional aspect of this question, I would probably not have spoken a second time in this debate were it not for the attempt, on the part of some people, to create the impression that this parliament had, with only one dissenting voice, given unanimous approval to the proposed union of Newfoundland with Canada, according to the procedure followed up to now.

That is not a fact. The hon. member for St. Maurice-Laflèche (Mr Hamel) has

expressed a dissenting voice on the second reading of the bill. The hon. member for Chicoutimi (Mr. Gagnon) has likewise expressed his disapproval, but on the third reading of the bill. As for the hon. member for Charlevoix-Saguenay (Mr. Dorion) and myself, we have made it clear, on the committee stage, that we were opposed to this union as proposed.

So that there will be no misunderstanding, I take advantage of this resolution, and of the amendment proposed by the leader of the opposition (Mr. Drew), to repeat my opposition.

First, as I have already shown and proven during the discussion in committee, the procedure followed by the government is a violation of the constitution. Moreover, if we approve this stand of the government we shall be party to an injustice and to the violation of an undertaking between Great Britain and Newfoundland. I for one want to disengage myself from any responsibility for it.

The leader of the opposition has moved that the different provincial governments be consulted and the union proceeded with after securing satisfactory results from such consultation.

I wish to state that I am not entirely satisfied with this amendment; yet, for want of something better, I shall vote for it. At least it embodies the principle that the provinces should not be entirely ignored in connection with amendments to the pact of 1867. I hold, however, as I did last Tuesday, that not only should the government consult the different provinces which were parties to the pact, but should obtain their consent to any amendment of the constitution. Many reasons justify our securing the consent of the provinces, especially of those which pay the cost of such union.

The Prime Minister has stated that the members elected to the federal parliament from the different provinces represent their respective provinces in such cases as this. I do not share his views, but since he holds that opinion and has the support of a majority in this house, I shall, as one of the representatives of the province of Quebec, state certain reasons for which our province would be justified in opposing that union.

In the second place, the union will entail a considerable increase in our already too heavy burdens. The Prime Minister (Mr. St. Laurent) has already admitted that, and the Minister of Finance (Mr. Abbott) proved it in the statement he made the other day. Some economists are unanimous in the belief that we are assuming heavy liabilities. And who is going to pay in the long run? The provinces of Quebec and Ontario, in which the main sources of revenue are to be found.

I wish to quote from a Reuters dispatch, published by the newspaper *Le Droit* on February 9 last, the following statement from Lord Jowitt:

> The Canadian proposals in connection with the incorporation of Newfoundland "are not devoid of generosity" according to the Lord Chancellor, Viscount Jowitt.
>
> It can be taken for granted that for many years the annexation is going to be quite a heavy burden for the Canadian people, began Lord Jowitt.
>
> We, in this country, have never sought to gain anything from Newfoundland, while Canada certainly pays a high price in her effort to put that former colony back on her feet.
>
> Lord Jowitt states that he discussed with a great many people this matter of Newfoundland's entry into confederation and the consensus of opinion is that it was a very good thing for Great Britain, since the Canadian people seem ready to accept this "heavy responsibility."

One has but to analyse the methods used by the commission of government appointed by London to come to the conclusion that Great Britain is more anxious than anyone else to bring about this union. And Canada, ever generous towards Great Britain, has hastened to comply with the latter's wishes.

In the third place, I further object because the union compels us to increase our defence budget. According to statements which have already been made, our expenditures for national defence will be greatly increased this year. If we take into consideration the fact that Canada, with a population of only twelve and a half million people has just as much territory to protect as the United States whose population is now 150 million, we should not think of increasing our present territory. There will result increased expenditures which again will fall, to a large extent, on the Quebec taxpayer, who is already overtaxed. We would imitate the frog who tried to swell itself up to the size of an ox. We are heading for a blow-out.

In the fourth place, that union will drag us into international conflict. We shall be getting a mortgaged property on which the imperial commission has already leased bases to the United States for 99 years. Therefore, should the United States be at war with another nation, we immediately become subject to attack. The presence of those foreign air bases on our territory will involve us in war, whether we want it or not.

In the fifth place, the union will imperil Canadian unity. It will cause problems on account of the pronounced dissensions amongst the people of Newfoundland themselves and on account of their imperialist tendencies. We are contracting a marriage imposed on us by a foreign commission established in London, and this imperial commission is evidently acting in its own interest, judging from its efforts to achieve that union.

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Does anyone wish to increase the disunity already existing in this country?

In the sixth place, alarming things are being said or written.

We, in Quebec, wish to make Canada a united country, seeking first to further Canadian interests. We want Canadians, of whatever origin, to think as Canadians. Now here is what I read in the Winnipeg *Free Press* on July 28 last, concerning the entry of Newfoundland into confederation:

(Text):

On balance it might be said the island is the gainer out of union. Certainly the standard of living will be raised; services will be improved; the isolation of the island ended. As part of a larger unit, Newfoundland's flimsy economy will be strengthened. But the bargain is not all onesided. Canada also stands to gain. Her population is increased by 350,000 English-speaking stock;—

(Translation):

This denotes views that should give us food for thought.

Considering that the province of Quebec is a minority in this country, that our rights, more particularly those mentioned in section 133 of the British North America Act, are at the mercy of a majority in the house, according to the view expressed by the Prime Minister, which view is apparently shared by the Minister of Justice (Mr. Garson) but not by myself, there is cause for concern over the protection of our rights, with the arrival of seven new members who will be subservient to their views rather than to the national interest. Furthermore, they are being allowed six senators, while Quebec, with a population at least ten times greater, will only have twenty-four; in proportion to her population, our province should have sixty. The newcomers are in an infinitely better position than the fathers of confederation. And thus, to a certain extent, we would leave in their hands the fate of our rights, guaranteed though they be by the pact of 1867. A small guarantee it is if we recall how the majority in the Manitoba provincial legislature annihilated the guarantees provided in the Act of Union of 1870, notwithstanding the provisions of sections 22 and 23 of the said act which read as follows:

(Text):

Section 22. (1) Nothing in any such law shall prejudicially affect any right or privilege with respect to denominational schools which any class of persons have by law or practice in the province at the union.

(Translation):

Section 23 reads as follows:

(Text):

Section 23. Either the English or the French language may be used by any person in the debates of the houses of the legislature, and both those languages shall be used in the respective records and journals of those houses; and either of those languages may be used by any person or in any pleading or process, in or issuing from any court of Canada established under the British North America Act, 1867, or in or from all or any of the courts of the province. The acts of the legislature shall be printed and published in both those languages.

(Translation):

Now, in 1890, the Manitoba legislature violated this constitution by passing the two acts I shall mention. I have here the 1890 Manitoba statutes, and I quote from two chapters, one of which deals with the abolition of Catholic schools.

(Text):

We find in the statutes of Manitoba, 1890, chapter 14, an act to provide that the English language shall be the official language of the province of Manitoba. Section 1 reads as follows:

Any statute or law to the contrary notwithstanding, the English language only shall be used in the records and journals of the house of assembly for the province of Manitoba, and in any pleadings or process in or issuing from any court in the province of Manitoba. The acts of the legislature of the province of Manitoba need only be printed and published in the English language.

(Translation):

That dealt with the abolition of French. As for Catholic schools, chapter 38 of the same statute provides as follows:

(Text):

In cases where, before the coming into force of this act, Catholic school districts have been established as in the next preceding section mentioned, such Catholic school districts shall, upon the coming into force of this act, cease to exist . . .

(Translation):

That is how the majority makes a clean sweep of the rights guaranteed minorities by a constitutional act.

This not only gives us food for thought but shows how important it is for the people of Quebec to oppose any amendment to the 1867 agreement, as planned, without the consent of the provinces.

In closing, I point out, with regret, how unfortunate it is that the Canadian representatives mainly concerned with negotiating the terms of union should have been, at the same time, members of the privy council of Great Britain. No one can serve two masters. Great Britain's interests are not those of Canada.

I will say no more about this for the time being because I do not want to delay the vote on this resolution and on the amendment submitted.

(Text):

Mr. J. H. Dickey (Halifax): Perhaps some small addition to this debate from one sitting in the very back benches may be acceptable

to you, Mr. Speaker, and to the house. I should like to say just a few words in order to give to the house some of the ideas which have come to me as I listened to what in my opinion has been a most interesting debate.

The Minister of National Defence (Mr. Claxton) paid a well-deserved tribute to the Prime Minister (Mr. St. Laurent) for the manner in which he had piloted through this house the legislation relating to the union of Newfoundland with Canada. I will not add to the words used by the Minister of National Defence, except to say that his sentiments were shared at least by all on this side of the house.

Of the speeches in the debate on the motion and the amendment thereto, I was particularly impressed by the one made last evening by the Minister of Justice (Mr. Garson). I thought he was most impressive in making his point with respect to the procedure by which Newfoundland chose confederation with Canada as the form of government which would be adopted by their country in the future. I thought his statement that the choice was a fundamentally democratic and free one was of the utmost importance.

I should like to summarize the procedure which was followed in order that the people of Newfoundland might make this choice—so that there may be no question in the minds of hon. members, particularly of those who sit opposite, as to its fundamental nature.

The policy of the British government with respect to the future organization of the government in Newfoundland was announced in the British House of Commons by the Prime Minister of Great Britain on December 11, 1945. That policy can be briefly summarized as follows: that the time had come when the people of Newfoundland were to be given the opportunity of deciding what form of government would be adopted in their country in the future; that this question would be decided by a national referendum in which the people of Newfoundland would be given a free choice as to the form of government they desired to adopt, and that, preceding this national referendum, a national convention of elected delegates would be called together in order to permit of orderly discussion of the various types of government which might be suggested. This policy of the British government was duly promulgated in Newfoundland, and steps were taken to carry it into effect.

Newfoundland was divided into constituencies which followed closely the old divisions of constituencies when they had their own representative assembly. Nominations were called and an election was held. As a result of that election, forty-five representatives were chosen to form the national convention. This national convention was called together in St. John's, and at its opening sessions was presided over by a justice of the Supreme Court of Newfoundland. The task of this convention under the policy laid down by the British government was to make recommendations to the British government as to the forms of government which would be put on the ballot upon which the people of Newfoundland would vote.

The first business of the convention was to adopt and enact rules to govern its own procedure. This was done by an appointed committee which drafted a set of rules and brought them back to the convention for adoption. They were adopted unanimously. One of the rules which the convention adopted for itself by unanimous vote was that each member of the convention would have the right to make known to the British government his own personal recommendations as to the kinds of government which should go on the ballot, on the same basis as the decision of the whole convention, whether it was by a large majority or by a small one only. Therefore the convention decided for itself that each member had full rights to make recommendations on the same basis as the whole convention itself.

It may be of interest to know that 130 individuals were nominated to contest the election which was held to choose the members who would form this national convention. Of these, 128 were nominated without having declared themselves to the electorate as to the kind of government which they favoured for Newfoundland. Two alone made public their opinions as to what the best form of government for Newfoundland in the future would be. One made it known to his people that he favoured confederation, and the other that he favoured the return of responsible government. I point this out to show that 43 of the 45 men who met in this national convention went there free of any undertaking previously made to the people who sent them there as to the kind of government which they would recommend.

The convention met for many months. It worked hard and discussed every aspect of the various proposals which were put before it. Delegations were sent both to Britain and to Ottawa. Their reports were received and thoroughly discussed. When these discussions were completed the convention voted unanimously to place upon the ballot the choice of continuation of commission of government. It also voted unanimously for the inclusion on the ballot of return of responsible government. The choice of confederation with Canada was put to the convention and defeated by a vote of 29 to 16. But remember that the unanimous wish of the convention was that each individual member would

have the same right to make recommendations to the British government as the convention itself, and there had been no undertaking by the British government that it would accept any or all of the recommendations of the convention, or that it would accept these recommendations to the exclusion of anything else.

Within one week after the announcement of the result of the voting in the national convention, 50,000 people of Newfoundland either had sent telegrams or had written to the governor expressing their wish and their demand that, in spite of any decision reached by the convention, the choice of confederation with Canada be given to the people of Newfoundland by its inclusion on the ballot which was to be presented to them in the referendum. In other words, Mr. Speaker, in addition to the sixteen elected members of the convention who individually and as a group recommended to the British government the inclusion of confederation with Canada on the ballot, 50,000 citizens of Newfoundland made known their wishes in like manner to the British government in an unmistakable way. As a result of all this, the British government reached its decision to have on the ballot, which was presented to the people of Newfoundland in the referendum, the three choices—return of responsible government, retention of commission of government, and confederation with Canada.

The suggestion has been made that there was some defect in this procedure; that it was not democratic; that it was not a free choice, and that in some way the people of Newfoundland were misled. I should like to quote the words used by the Prime Minister of Great Britain when he announced the British policy to the British House of Commons on December 11, 1945. He said:

> The object of the procedure which His Majesty's government proposes is to enable the people of the island to come to a free and informed decision as to their future form of government.

The suggestion has been left in many minds that the choice of the people of Newfoundland was neither free nor informed. I say that that is entirely incorrect. Their choice was a free one, and it was one which they had known they were to make, from December 1945, through the whole period during which the convention sat, and right down to the referendum.

I believe many thousands of Newfoundlanders who voted against confederation will resent the suggestion that they have been imposed upon; that there was anything undemocratic or improper in the way in which they were permitted to make their choice.

The people of Newfoundland will little appreciate any technicalities of interpretation of the British North America Act or problems of the Canadian constitution. Newfoundlanders who know the facts will realize that the leader of the opposition (Mr. Drew) in this house, and those who adopt his arguments, have adopted the arguments and taken over the position of those in Newfoundland who most violently oppose union of the colony of Newfoundland with Canada.

In the last few days in this house much has been said in praise of the people of Newfoundland, and of the strength of the bonds which unite that people with the people of this country. Nowhere in this dominion are these bonds stronger than they are in Nova Scotia, the province from which I come. We have a special knowledge of the people of Newfoundland. Thousands of them live among us. We have a closer community of interest with the people of Newfoundland than the people of any other portion of Canada, largely because of the basic importance to both of us of the great industry of fishing. It has also been said that to know the people of Newfoundland is to appreciate them. To know them better is to appreciate them more. We have had the privilege of knowing them best, and we appreciate them most.

Therefore it is with a particular feeling of pride that the people of Nova Scotia welcome the people of Newfoundland as full partners in this confederation. We feel that they have been given the opportunity to make a free choice, and we are not disposed to take any technical or synthetic position which will prevent the union which both Newfoundland and Canada desire.

Mr. J. G. L. Langlois (Gaspé): Mr. Speaker, I had not intended to take part in this debate until I heard the speech made a few minutes ago by the hon. member for Beauharnois-Laprairie (Mr. Raymond). Since part of my address will deal with his remarks, I think it proper that I should make them in the French language.

(Translation):

Mr. Speaker, I listened with much interest and quite attentively to the speech which the hon. member for Beauharnois-Laprairie (Mr. Raymond) has just delivered.

Among the remarks which he saw fit to make in this debate, there was one, if my memory serves me aright, where the hon. member said: "We Canadians from Quebec want first of all to protect the interests of Canada." I must say that all members who come from the province of Quebec agree with the full scope of that remark of the hon. member. We also are concerned with the

interests of Canada because above all we lay claim to the title of plain Canadians. But that remark, as made by the hon. member, makes me wonder what our Quebec nationalists would have said if, for instance, we Quebec Canadians and Canadian citizens had let Newfoundland join the United States. Those same nationalists would then have cried shame. They would have described in terms which I would not dare utter in this house—because I have no use for the kind of language to which they resort—as a cowardly dereliction of duty the stand which they charge us with having failed to take.

In my opinion, Newfoundland will be not only a physical but a moral asset to this country. During my six years in the Royal Canadian Navy, it was my privilege to be associated during rather difficult times with companions from Newfoundland, so that I was then able to appreciate their patriotism and high moral qualities. That is why I say with the utmost assurance that Newfoundland's entry into confederation will be for my country, for Canada, a moral asset that will further promote Canada's development and progress. Then the hon. member for Beauharnois-Laprairie expressed great apprehension. If I understand him correctly, he said it might be a threat to our French minority to bring into our confederation the people of Newfoundland who do not share our traditions or way of life. In this respect, I should like to inform the hon. member for Beauharnois-Laprairie, if he does not already know it, that 31 per cent of Newfoundland's population are Roman Catholics; in other words, that 31 per cent of Newfoundlanders share the faith of our ancestors in Quebec. In that regard, I have no fear whatsoever because, as I said a while ago, since I had the privilege of associating with people from Newfoundland while serving during the war, I was in a position to appreciate the sterling qualities of these good folk.

Moreover, Newfoundland's population is made up largely of fishermen, worthy citizens whose trade is the same as that of the majority of my constituents, people whose work ever pits them against the elements, who toil and struggle for a livelihood and are used to facing issues squarely and judging on their merits. They have no time to waste on party matters of a purely local character, or on jingoism. Mr. Speaker, the hon. member also mentioned in his speech, if I understood him correctly, that the federal government was seeking to amend the Canadian constitution without consulting the provinces. He made this remark in such a general way that I believe it is my duty to take up this statement. No doubt he has forgotten that in a memorable radio address given some ten days ago, our leader, the right hon. Prime Minister (Mr. St. Laurent), referring to the possible effects of the abolition of appeals to the privy council, stated that consideration should be given to the means of amending our constitution. But on the very next day, here in the house, he hastened to add, in reply to a question by the leader of the opposition (Mr. Drew), that such an amendment to the constitution should not be carried out without the consent of the provinces. Therefore, the hon. member's remarks were not fully accurate and, no matter how he qualified them, do not concern solely, I am sure, the matter now under discussion.

Mr. Speaker, ever since the opening of this session, we have heard a whole medley of contradictory statements. In the first place the attitude of the leader of the opposition (Mr. Drew) has been most thoroughly inconsistent.

As I was saying before, I was at first unwilling to take part in this debate. This was because I believed that the leader of the opposition was sincere in objecting, on the first day of this session, to any delay in debating the speech from the throne. I was therefore unwilling to delay further that particular debate by taking part myself in this one. However we have seen how, subsequently, the leader of the opposition turned about completely and, through a series of amendments, himself contributed to delay further the adoption of the address in reply to the speech from the throne. As a matter of fact, by moving the amendment to the resolution which is now before this house, he maintains the totally inconsistent attitude which he has taken since the beginning of the session. Was he not serious when he opposed a resolution put forward by the prime minister, which called for the adjournment of the debate on the address in reply to the speech from the throne?

Is it any wonder now that we find in his statements such glaring inconsistencies as those submitted to us yesterday by some hon. members who preceded me in this debate?

The leader of the opposition has completely changed his mind. He has made a right-about turn on the question of autonomy. He no longer talks about centralization, about a country made up of a central office with a branch in each province. But today he clamours for wider powers for a more complete autonomy in favour of the provinces, which, in his estimation, should enjoy even wider powers than those of the central government.

But I find it strange that these same provinces to which the hon. the leader of the opposition would grant so much autonomy

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have not even taken the trouble of officially making known their attitude on the procedure we are presently following in this house.

As a matter of fact, I personally checked up and was informed from official sources that not one of the nine premiers of the Canadian provinces has officially protested to the leader of the government against the procedure which we are following to amend the constitution, that is, regarding the amendment to the constitution we are now discussing.

While the nine premiers were clamouring against federal government persecution, not one of them felt the need of suggesting in an official letter to the leader of the government, the procedure he wished the house to follow in connection with the annexation of Newfoundland. Do these same premiers feel that the provincial autonomy of Quebec, and that of the other nine provinces, is safeguarded by the mere fact that they made contradictory statements, or that they are entrenched for the preservation of provincial rights behind their own recriminating oratory?

Such, Mr. Speaker, is the negative stand taken by the provinces of this country since 1938. No province ever took steps, or submitted to the federal government practical means of amending the constitution, either as a whole or in connection with the taxation structure. Mr. Speaker, we need only go back to the days of the Rowell-Sirois commission. The provinces were consulted by the commission on proposals made thereafter by the federal government.

This commission sat throughout the country, from Vancouver to Halifax. And now these premiers, claiming to have been wronged because they have not been consulted, have taken a stand I shall now explain. To define the stand taken by these premiers at the time I shall refer to Wilfrid Eggleston's excellent book entitled: *Road to Nationhood.* On pages 115 and 116 of this book Mr. Eggleston writes as follows, and I quote in English:

(Text):

In a letter to the secretary dated July 13, 1938, the Ontario premier concluded: "Under the circumstances, my colleagues and I have decided to disassociate ourselves entirely from any participation in so far as these deliberations are concerned."

Mr. Eggleston continues:

This meant, among other things, that the compilation of the public finance figures of Ontario was brought to a halt.

Premier Hepburn's decision was lauded by premier Aberhart of Alberta, who called the inquiry a "national menace" and a "piece of political futility." These reports were coupled with press statements of "alliances" between Hepburn and Duplessis. The Montreal *Gazette* contended that there was no longer a commission. The *Globe and Mail* of Toronto proposed that Right Hon. R. B. Bennett be invited to fill the chairman's place. Other editors wondered what could be salvaged from "the wreck." These circumstances are recalled here to show the atmosphere in which for a part of the time at least the commission was compelled to pursue its inquiry.

(Translation):

And then, at page 107, the author writes:

(Text):

The first serious hitch in the collection of public finance statistics from the nine provinces had occurred early in March, 1938, when Premier Maurice Duplessis of Quebec absolutely declined to go on with the preparation of answers to the questionnaire which had been circulated by the commission for its comparative study of provincial finances. He cloaked his non-co-operative gesture behind the assertion that he could not rely upon the figures of earlier administrations.

(Translation):

This shows the lack of co-operation, not to say the obstruction, on the part of the provincial premiers regarding that commission. And now, the leader of the opposition contending to speak on behalf of those same premiers, asserts that the provinces should be consulted on the proposed amendment to the Canadian constitution.

Yesterday, a speaker interpreted this amendment as meaning that the leader of the opposition was thereby seeking the provinces' consent. The latter might then have to face a dilemma resulting from the following probability: What would happen should one province voice opposition, while the other eight provinces approved? Immediately after, other members of his party stated that such was not the purpose of the amendment, but that it rather aimed at stressing the need of safeguarding the right of the provinces to be consulted in circumstances of that kind. Through this amendment, which has no other meaning, we are saying to the provinces: "Very well, we shall be nice enough to seek your advice, but whatever be your answer, we shall take no heed of it."

To take refuge in such a procedure for the sole protection of our most precious rights and privileges is a strange way of protecting the autonomy of the provinces.

I said a while ago, Mr. Speaker, that so far the provinces had taken but a negative stand in the matter of autonomy, and I believe that my own remarks and those I have quoted have made clear that very important point in these discussions.

The same thing is happening here today. So far we have had but one semi-political statement from a premier who, from his vantage point of premier of the province of Quebec, claims that the province should be consulted in this case, but does not go to the trouble of sending to Ottawa his official protest or suggestions.

If the premiers of the provinces concerned are so jealous of their autonomy, if they are sincere when they claim the autonomy of the provinces is endangered by the central power,

it is time they act jointly and positively. Why do they not use the procedure followed by the fathers of confederation?

We are accused of departing from the spirit and the procedure of the discussions prior to confederation. Why then do not these premiers set us on the right road? Why do they not revive that period preliminary to the confederative pact? It would be very easy to do so.

The prime ministers would only need to hold preliminary conferences among themselves such as the Quebec or Charlottetown conferences, for example, which later resulted in joint resolutions being forwarded to the imperial government which sanctions the Canadian constitution.

What is there to prevent the prime ministers from following that course if they absolutely want their autonomy to be protected? I have consulted neither the members of my party nor any member of the cabinet, but I may tell this house with a fair degree of certainty that if the prime ministers of the provinces also held preliminary conferences among themselves and, after considering the different proposals of each province, if they could reach a common agreement accepted by the nine provinces, I am sure that later on the leader of the central government would not object to receiving them and considering the situation with them, the basis of this interprovincial conference being the decisions taken by the above-mentioned preliminary conferences.

Here is a practical action which the premiers of the provinces have not as yet deemed fit to take since the beginning of this long debate on this matter of the Canadian constitution and its amendments.

At the time of the interprovincial conferences we witnessed a political bargaining such as had never been observed in the history of Canada. We saw the provincial premiers come here after having examined—or rather after having had the opportunity to examine—the proposals submitted by the central government, and behave as if it were a matter of making the highest bid.

Is it thus, Mr. Speaker, that we can hope to solve the ticklish problem of amending our constitution?

As the Prime Minister said in a radio speech, the logical consequence of the abolition of appeals to the privy council will be that we shall have to find the means of amending our constitution. That fact provides the provincial premiers with an opportunity to take action. It is now up to them to speak; it behooves them to do something. Let them tell us plainly and with a unanimous voice what they want. Let them tell us how they intend to protect their prerogatives, which they claim are so seriously threatened. I am sure that if the threat is as great as they represent it, the action I am suggesting to them is justified under the circumstances.

On the other hand, Mr. Speaker, I am not afraid to state that their silence will be construed as a stand of non-co-operation, a stand indicating that they wish to carry on the debate, hoping to benefit from it in future provincial elections.

I know that last summer all the sins of Israel were blamed on that lack of understanding between the provinces and Ottawa. There were cries of persecution and despoiling by the federal government. The provincial premiers have there a good alibi for their inertness, an eternal alibi for their failure to provide for social security in their own provinces and they will take no chance of losing it.

Instead of protesting, instead of repeating their autonomist statements, these premiers would be appreciated by all the Canadian people if they had the courage to take the initiative in making concrete suggestions and to tell the central government, with a unanimous voice, what they want.

The fathers of confederation, to which they seem to compare themselves today, did not fear to tell the imperial government with a unanimous voice what their wishes were as to the basis of the Canadian constitution. And I must add, for the benefit of the advocates of federal autonomy, that when the imperial government dealt with the resolutions from the Quebec and Charlottetown conferences, that same imperial government did not lose any of its autonomy for having given first the provinces or colonies the liberty of putting forth jointly and consistently their views on this important question. Likewise the central authority will not lose its autonomy by telling the provinces: "You claim that our method of proceeding is prejudicial to your privileges. Well, kindly submit us your representations, through preliminary conferences, to which, I feel sure, the central authority will be pleased and will make it a point to send the necessary experts and statisticians to supply the provinces with all information and data they may need. I believe I can say that the dominion government does not lose any of its autonomy in acting that way. Moreover, I add that this

way of proceeding does not at all conflict with the stand taken in the past by our government with regard to this matter.

I know that some are ready to rise in their place and say yes. They say that today, but they have not always been of that opinion. Nothing in that attitude, in those suggestions, come in any way in conflict with the position taken up to now by the central administration. The dominion government thought it was taking the right course in initiating the move and absorbing the costs of research undertaken by the Rowell-Sirois commission with a view to finding a suitable basis for the settlement of our fiscal problems. The information obtained was intended for the provinces as well as for the central administration and would be made available to both parties to the negotiations. The central power having informed the provinces of its views on procedure, the provinces refused to co-operate. As a consequence, I repeat that the conference was a total failure, and I believe that I have proven my point.

Today the dominion government tells the provinces: "Very well, you contend that we were wrong in acting as we did and in taking the first steps, so go ahead and suggest a better way; tell us, in short, what you wish, and once you have made your wishes known we shall be prepared to discuss with you, on even terms, the findings of these preliminary conferences."

May I repeat that, to my mind, this suggestion reduces to a minimum the possible recurrence of the sometimes disgraceful performances which marked interprovincial conferences in the past. I submit it in all good faith to the consideration of the house and of the government I have the honour of supporting, though I am prepared to modify my views if they should be proved wrong. I say merely that I do not see how we can possibly go wrong if we follow the procedure that governed the pre-confederation conferences which led to the drafting of the federal statute. Through this legislation which set up a central administration and united the Canadian provinces, Canada became the great nation we are now proud to call our own.

I feel there should be no fear to suggest to the provincial premiers that they take a leaf out of the book of the fathers of confederation.

It is all very well for people to claim time and time again that they wish to abide by the spirit and letter of confederation, that they insist on modeling their attitude on that of the men who drafted the confederation agreement. All this, however, would sound much more convincing to the Canadian public if, instead of only repeating that we wish to emulate these great statesmen, we gave concrete evidence that we actually intend to follow in their footsteps and that, as I said earlier, we want to further the development of this great Canadian nation which they pioneered.

Some hon. Members: Hear, hear!

(Text):

Mr. W. Garfield Case (Grey North): It appears to me, Mr. Speaker, that a fine legal argument has taken place and we, as laymen, must seek to understand the various arguments presented by the learned gentlemen who have spoken during the past few hours. By seeking to interpret what I have learned from the arguments advanced, particularly as they relate to the amendment moved by my own leader, I feel that I might contribute something.

At the outset, may I say there is no one within the hearing of my voice more anxious to see Newfoundland admitted into confederation with Canada than I am. I hope I have an appreciation of my country and, for many long years, I have visualized the advantages we, as a nation, would enjoy if Newfoundland were admitted into confederation. I submit, Mr. Speaker, there is nothing in the amendment moved by the leader of the opposition that would in any way handicap the completion of this union. I have listened to the hon. Minister of Justice (Mr. Garson), and while I would hesitate to interpret any part of the law expounded by him, I was impressed with his reference to municipal law and to municipal procedure.

I have had some experience in municipal government. I might say to the hon. gentleman that the municipalities in the province of Ontario, while governed to an extent by the statutes drafted by the department of municipal affairs, have a set of bylaws for which those municipalities are responsible. Over the years those bylaws have accumulated in number. I think it would be a tremendous task for the law officer of a municipality to search those bylaws in order to determine whether something already in effect might react against a matter being passed by the municipal council. For this reason we do

find in municipal law a wording such as the Minister of Justice (Mr. Garson) has used: "Notwithstanding anything to the contrary", or something like that.

The British North America Act is set forth in clear and understandable language. True, after listening to this debate I can understand that there is room for different interpretations. Nevertheless, the act is very well defined. Unless there were some element of doubt on the part of the administration, those words would not have been used in this address. It is because the administration knows the constitution must be amended, and is not prepared to take any chances, that the following all-embracing term is used:

—hereby confirmed and shall have the force of law notwithstanding anything in the British North America Acts, 1867 to 1946.

Now, I was rather surprised at the advice offered by my hon. friend the member for Grey-Bruce (Mr. Harris). Yesterday he suggested that this address to His Majesty appeared on the order paper the day before we voted on third reading of the bill. Of course it was on the order paper, but it was not brought before the house for discussion. I would suggest to the hon. gentleman that no one would rise in the house at that time to debate something which was not properly before the house. No one had an opportunity of even considering it, because the third reading of the bill was called. My hon. leader, however, alluded to the possibility of something not yet disclosed in his address on the presentation of the bill.

Let me deal particularly with the amendment for a moment. As I understand, Mr. Speaker, there is no one within this party who questions the right of this parliament to make the terms of union with the colony of Newfoundland. We have already given evidence of our approval by our agreement on the bill as it was considered clause by clause. While certain parts of the bill were drawn to the attention of the administration as matters that might be considered for amendment, no effort was made to amend those clauses. We accepted them as the basis of union. In that sense, we have said, this parliament could act.

I think the hon. Minister of National Defence (Mr. Claxton) was wrong in seeking to read into the amendment something which was not there. By our approval of the bill we have said to this parliament, in effect, that it is possessed of the necessary authority to make any deal which is in the national interests of this country. No one has questioned that. What we do say is that, when one comes to read the address to be presented to His Majesty the King, one finds a reference which requires an amendment to the British North America Act. Upon that, we say, the provinces should be consulted. After the conclusion of these consultations, the address would then be forwarded and dealt with accordingly. The reference the amendment seeks relates to the constitutional aspect only, not to the terms of union with Newfoundland.

I can quite understand that, if you were to refer the terms of union to the provinces, it might be a long time before you would be able to obtain approval. I believe the sentiment in Canada is overwhelmingly in favour of admitting Newfoundland into confederation. Having regard to that fact, I believe a reference to the provinces at the present time, since the provincial legislatures are in session or will be in session shortly, would receive prompt attention. Owing to the sentiment in favour of union, I feel satisfied that prompt approval would be received. Then the British North America Act could be amended and Newfoundland could be admitted into confederation.

As has been said already, we have a constitution. Either it means something or it means nothing. A great principle is indeed here involved. The position is just the same as that in which a set of rules is laid down for a hockey match or for a lacrosse match. If you disregard the rules, then you are bound to have a more or less chaotic condition, or a complete disregard for all rules. I like to look beyond the present stage. I do not think it requires any reference by the Minister of National Defence (Mr. Claxton) to the great men who negotiated the deal. I think we all have an appreciation of each other. I do not think it requires any reference to what happened in Newfoundland. That was their responsibility and their business, not ours. The question about which we are vitally concerned is this. Have we the right to amend the British North America Act by a simple majority vote of this house, without a reference to the parties to the original agreement who indeed created confederation in the first place and played their part in the building of the Dominion of Canada?

(Translation):

Mr. Frederic Dorion (Charlevoix-Saguenay): Mr. Speaker, I listened with rapt attention, just now, to the speech of the hon. member for Gaspé (Mr. Langlois).

Of course, I could not attempt to go over all the points he covered as I should like to

limit my few remarks to the matter now under discussion.

However, the hon. member for Gaspé offered a suggestion, and it would be most interesting to know whether the Prime Minister (Mr. St. Laurent) and the government are prepared to endorse a proposal that a meeting of provincial prime ministers be held to consider the matter now being discussed.

I imagine that before the end of this debate, the Prime Minister or members of the government will officially confirm the proposal made by the hon. member for Gaspé.

Mr. Langlois: Mr. Speaker, I believe a correction is in order. I hardly think my suggestion was not that now credited to me by the hon. member for Charlevoix-Saguenay (Mr. Dorion).

I suggested that, following abolition of appeals to the privy council, the provinces should meet and submit their views as to what they consider the best way of amending our constitution.

My suggestion had nothing to do with the present discussion.

(Text):

Mr. Dorion: Mr. Speaker, I do not think the hon. member is entitled to make a new speech. If he wants to put a question to me, I am ready to answer it.

Mr. Langlois: Provided the hon. member makes his speech, not mine.

(Translation):

Mr. Dorion: Mr. Speaker, the hon. member for Gaspé also stated that in the matter at issue, the provincial premiers should rise and make strong representations against the government's stand at this time.

That is a peculiar way in which to discuss the problem now before the house. After all, it is here, in the House of Commons, that we should decide whether or not one of the clauses of the British North America Act is to be cast aside.

It is for us in this house to decide whether we shall violate a provision of this act and, even if the provincial premiers should protest officially, I believe it is here that the matter should be discussed; it is for us to take a definite stand on whether we intend to respect the federative agreement.

I might add too that some protests have been made already, if I am not mistaken, some of them quite vigorous, especially by the premier of Quebec. The hon. member for Gaspé will note too that quite recently those representations had some repercussions in the constituency of Nicolet-Yamaska.

I have heard in this debate, Mr. Speaker, a most peculiar argument. I quote:

The fact that the bill providing for union with Newfoundland was unanimously adopted by the house prevented the amendment now before us from being presented.

Well, such is not my way of considering this matter. When the bill was first presented, the question was to deal with the principle of the union with Newfoundland and to determine the terms of this union.

But today we are considering the procedure, and as a proof of this, the Prime Minister himself refers to the "procedure" when dealing with the resolution.

I quote the following, from page 494 of *Hansard*:

> It is well known in this house and by the public that there were provisions in the British North America Act of 1867 looking to the union of Newfoundland with Canada—

And from the same page, in the next column:

> The terms of section 146 of the British North America Act being no longer applicable, another procedure had to be resorted to.

A little further on, I quote:

> There is a second reason why procedure not expressly provided for in the British North America Act was resorted to. If that procedure had not been followed there might have been some question as to its legal effect.

Therefore, the address we are now discussing and the amendment that is submitted to us have to do with the procedure to be followed for achieving the union of Newfoundland with Canada, and that procedure is all the more important since it involves a basic principle expounded in the British North America Act.

Reference has often been made to that provision of section 146 and it is there that we find the principle to be followed in such a case as this one.

Besides, if those provisions of section 146 had been followed, it is quite probable that no one would have seen fit to start the present debate, because in that case we would have remained within the limits of the constitution as established at the time of confederation. For instance, in the case of the entry of Prince Edward Island, there was no need of consulting the provinces, because the methods and the provisions of the British North America Act were then followed.

The same thing happened when British Columbia joined the confederation. Consequently, when those two provinces were annexed, it was not necessary to initiate a

debate like this one, because at that time we followed closely the provisions of the British North America Act.

But now these provisions are being cast aside.

What amazes me is that we have come to the point where not only do we consider it unnecessary to consult the provinces, but we do not even trouble ourselves to propose an amendment; the provisions of the British North America Act are simply ignored.

Since the first fight I had the occasion to put up in this house, since 1943, we have reached the point where not only is the constitution amended without any regard for the provinces, without their consent, but where a statute such as the one we have before us is passed by bluntly casting aside one of the provisions of the British North America Act. There is no question even of amending section 146.

Well, I find that extremely important and extremely dangerous for our country.

Besides, that is why I submit, Mr. Speaker, that when we see a statement such as that made by the right hon. the Prime Minister (Mr. St. Laurent) on February 8 and which appears on page 352 of *Hansard*, we are justified in entertaining fears. This is what the Prime Minister said on that occasion:

> It must not be forgotten that the British North America Act was passed in 1867, almost eighty-two years ago, and that conditions in this country, its people, its parliament and its government are not the same today as they were then. I was surprised at the attitude expressed this afternoon by the hon. member for Charlevoix-Saguenay. Most of us from my province derive perhaps some sentimental satisfaction from the developments that have taken place and that have brought about the situation whereby the prerogative of His Majesty is now exercised on the advice of ministers responsible to his Canadian subjects, but the hon. member for Charlevoix-Saguenay seems to be one of those who have lagged behind, and he is not willing to keep pace with the developments that time has brought about.

As if, because the British North America Act is 82 years old, we should now consider it obsolete, consider it as fit only to be thrown, for that reason, into the waste-basket.

I submit, Mr. Speaker, that such views strongly jeopardize the future of our country. Thus, when this amendment came up for discussion, I considered that if the provisions of the British North America Act were to be put aside, it was imperative to consult the provinces because we would be following a different procedure from that provided in the act.

Why should we not consult the provinces? If one or many provinces raise any objection would it not be expedient first to consider the objection in order to deal with it before the entry of Newfoundland into the confederation? If no objection is raised, would not the entry of Newfoundland appear even more solemn? Would it not be easier then for the people of Newfoundland to become true Canadians, even if only because it would bring about that consolidation of Canadian unity we so often ask for? I feel that for these reasons we should adopt the amendment now before the house.

(Text):

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, most of us who came to this chamber yesterday, except those few who were in on the secret, came to praise Newfoundland and not, we thought, to bury it in a wrangle over legality and procedure, with charges—which I do not think we need take too literally or too seriously—that we who favour union with Newfoundland, according to the procedure which the government have outlined, are thereby destroying our constitution.

I should have liked to participate in the welcome which we hoped would take place yesterday. That opportunity has disappeared, for the moment only I hope, because of the amendment which has been introduced by the leader of the opposition (Mr. Drew). I hesitate to intervene in the discussion which has been provoked by that amendment, a discussion which has been diverted into the favourite bypath of the leader of the opposition and those who sit with him. I hesitate even more because, to use the elegant language of the hon. member for Calgary West (Mr. Smith), I am a rookie in this chamber, though I am in pretty good company as a rookie. Not only that, but I am not even a legal rookie, Mr. Speaker. However, I do not think it is necessary to speak at any great length on the legal and constitutional aspect of this discussion because that was dealt with pretty effectively last night by hon. members who spoke on this side, more particularly the Minister of Justice (Mr. Garson), and by hon. members on the other side of the house.

However, I should like to reaffirm some points which have been made and to make one or two which I think are new. For

instance, I should like to reaffirm the fact, which I think is beyond contradiction, that if this address is accepted and passed by this parliament not one line of the British North America Act will have been changed thereby. Nor do I think it necessary to deal at great length with the loud and vehement protestations, which were made last evening and this afternoon on the other side of the house, of undying devotion to principle and consistency. I think that was very effectively dealt with last night by hon. members on this side of the house and on the other side. It was pointed out that while some of the speakers of the official opposition dealt at length with the date 1925 and with the date 1946, they forgot the date 1943.

It has been said in criticism of the government that the procedure laid down in section 146 of the British North America Act is not being followed on this occasion. The government is being criticized for not following that procedure, and therefore I suggest, Mr. Speaker, we are entitled to draw from that criticism the conclusion that those who take that view would have followed the procedure laid down in that section.

As has been pointed out before, and I apologize for repeating it, that section provides, with respect to Newfoundland, British Columbia and Prince Edward Island, that they may be admitted by the Queen. I quote:

> By and with the advice of Her Majesty's most honourable privy council.

That means the privy council of the United Kingdom; that is, by the action of United Kingdom ministers, not Canadian ministers. That procedure has not been followed for many years and, I suggest, will not be followed at any time in the future. Canada long since has made it impossible for any act affecting herself to be taken by the United Kingdom government except on advice received from Canada; and that of course is the way we wish it to be.

It was also pointed out last evening by the hon. member for Lake Centre (Mr. Diefenbaker) that section 146 of the British North America Act contemplated that Newfoundland would join the dominion only in accordance with the procedure set forth in that section. I am sure he is too good a lawyer—and I am not a lawyer at all—to believe that that is the proper interpretation to give to that section, which is not mandatory, not exclusive, but merely permissive in character. By its wording, that section does not exclude other methods of bringing Newfoundland into confederation. The reason why certain other methods have to be adopted on this occasion is not a Canadian reason. It is a reason which originated in the circumstances which are present in Newfoundland today.

However, I do not really think that those who have spoken in favour of the amendment can make very much out of the legal and constitutional argument. That does not mean —and this is why I feel it necessary to say a few words on this subject today—that if we vote against this amendment on this side, and on the other side of the house, we shall not be accused of being conspirators against the constitution, wreckers of provincial rights, centralists and all that kind of thing. That is the penalty we have to pay when we talk about a strong central federal Canadian government in the interests of Canadian unity and Canadian nationhood.

In the country today, and I am not referring to anything that has been said in this debate, there is I suggest a tendency, a very dangerous tendency in my view, to stir up the feeling that the provinces and the dominion are somehow and in some way hostile to each other; that the people of Canada as represented in this parliament are in some way different from the people of Canada as represented in the provincial parliaments; that there is, for instance, some inevitable conflict between my duty and loyalty as a resident of this province and my duty and loyalty as a Canadian. I suggest that there is great danger to national development in that trend and in that sort of talk. In this connection I should like to quote some very wise words which were uttered by the leader of the opposition (Mr. Drew) in 1941, when he said:

> The time has come to start thinking as Canadians. Those who deliberately seek to arouse province against province, race against race are disloyal to Canada . . .

I am sure that there is no one in this house who will object to that sentiment or who will have anything but praise for it.

All Canadians are represented in this house; all Canadians have spokesmen in this house on all issues that come within the federal jurisdiction, as indeed this particular issue does. In connection with this matter they do not have to be represented in the legislature of Alberta or of Nova Scotia or of any other province. If any considerable section of the people of Canada object to what is being done in this parliament of Canada, on this issue of Newfoundland, they have an opportunity to express that objection through their representatives. The fact that there has been so little objection to the course that has been taken shows I am sure that the feeling of the country is almost unanimous in this important matter.

The discussion yesterday and today has ranged pretty far and wide over this general constitutional issue, over the whole ques-

tion of the development and the meaning of the Canadian federal structure. There are two extreme views on this subject, both of which I suggest are most dangerous to our future development. There is the extreme centralist view which I hope none of us holds. That view has been embodied in words used by the leader of the opposition at another time. I think I should quote him because his words have already been put on *Hansard* and I think they are quite interesting and of some importance. He said in 1941:

> What we need greatly is to look at government from a business viewpoint, paralleling methods that a private business with a head office and nine branches would employ to promote more efficiency.

I suggest that that embodies the extreme centralist view. The other extreme view, which I think is equally dangerous to unity and progress in this country, is the view that the federal government must not be given sufficient power to permit Canadian progress and ensure Canadian unity. If I may say so, that was the view which was expressed by certain speakers in the Social Credit group, more particularly the hon. member for Lethbridge (Mr. Blackmore). That hon. member said last night in a very interesting speech that he felt that the powers of the provinces should be increased; that they should get enough money from the federal government to carry out their responsibilities, but that those responsibilities should be increased so that they would have control and power over such things as prices and markets.

I suggest that if we develop too far in that extreme it will be most difficult indeed to maintain the federal structure which is the basis of Canadian unity. I suggest that neither extreme view commands or deserves to command the support of any number of people in this country.

I should like to leave the legal and technical question for a moment and come to what is after all the crux of the question. It is simply this: When should the provinces of Canada be consulted in connection with action taken by the federal government? When is such consultation so desirable that it is in fact, if not in law, mandatory?

Such consultation is certainly not required under section 146 of the British North America Act in providing for union with Newfoundland, nor indeed is it required under a literal interpretation of our constitution in respect to any amendment of the British North America Act.

Last night the hon. member for Lake Centre (Mr. Diefenbaker) said—I hope I am quoting him accurately—that 1946 was the first breach in the constitutional procedure of amending the constitution of this country because on that occasion there was no consultation with the provinces. The facts as I understand them are that since 1867 there have been ten substantive amendments to the British North America Act—1871, 1875, 1886, 1907, 1915, 1916, 1930, 1940, 1943 and 1946.

In connection with only two of those amendments were the provinces consulted, in 1907 and 1940. The 1907 amendment had to do with the alteration of provincial subsidies and the 1940 amendment was designed to transfer authority for unemployment insurance from the provinces to the dominion. Those were clearly questions which affected provincial jurisdiction and provincial rights and there should be no question in our minds that consultation on those occasions was appropriate and desirable.

Mr. Diefenbaker: Would the minister permit a question? What about 1915, when British Columbia raised objections which were considered by the British parliament?

Mr. Pearson: I am sorry, I do not know the details of the 1915 amendment, but I do recall that in 1907 the government of British Columbia expressed disagreement with the proposed amendment in London; nevertheless the amendment was proceeded with. As I say, I am afraid I am not familiar with the details of the 1915 amendment.

The hon. member for Lake Centre said last night—again I hope I am quoting him correctly—that in the matter of amendment of our constitution consultation with the provinces is absolutely necessary. If it is absolutely necessary, such action has not been taken very often. Certainly there has not been a single case in our history when such consultation took place under a Conservative government.

I think the origin of this idea of consultation is to be found in the theory of the development of our federal structure which is referred to by constitutionalists as the compact theory or the treaty theory or the contract theory. The idea is that at the beginning of the Canadian nation, in 1865 to 1867, the provinces made a contract. They made a contract with whom? Of course not with the dominion government because it did not exist, and indeed not on behalf of all the provinces because they did not exist. At that time there was not even a province of Quebec or a province of Ontario, because they had been joined as the province of Canada. It is also well to remember that in 1865 to 1867 the compact, if you like, which was drawn up at that time in the Quebec resolutions, was itself changed in London before confederation became effective and without consultation with anybody in Canada. I agree however that, whatever may be the law, or indeed whatever may be the convention, of the compact theory of our

federal structure, the rights of the provinces, and minority rights, which are not always exactly the same thing—they may be wider than provincial rights—must be protected and must not be changed without the consent of those affected by them.

Whatever may have been the legal situation in the far distant past, and the actions which may have been taken arising out of that situation, I do not believe there is anyone in the house today who would challenge that principle, and very few people in the country who would desire to challenge it. But having gone so far in the acceptance of the compact theory of confederation, and I think we should go so far, I suggest that if we go beyond that point we get into very great difficulties.

Mr. Hackett: Will the hon. gentleman permit a question?

Mr. Pearson: Yes.

Mr. Hackett: Does he consider that the resolution before us contemplates an amendment to the British North America Act?

Mr. Pearson: The answer to that question is that I do not consider it means amendment of the British North America Act. My view on that point was explained last night at some length, and I thought with some effectiveness, by the Minister of Justice (Mr. Garson). At this time I do not wish to repeat that argument. I was about to say that if you go beyond the interpretation of the compact theory in our constitution which I have given, you get into a very strange position indeed. If you insist on a narrow legal interpretation of contract as something which cannot be changed without the parties to the contract agreeing to it, you get into, for instance, the certain difficulties arising from the preamble of the British North America Act. Those difficulties were pointed out in 1942 by the leader of the opposition (Mr. Drew) in a very interesting statement which I should like to put on the record. It is taken from the Montreal *Gazette* of November 13, 1942, and reads as follows:

> Colonel Drew cited the preamble of the British North America Act, with its stipulated consideration that "such a union would promote the interests of the British empire."

That is from the preamble of the British North America Act. The article continues:

> And he made the points that every right claimed under that contract—

The contract being the British North America Act.

> —is dependent and contingent upon that condition.

That is the condition of the promotion of the interests of the British empire. I am sure the leader of the opposition would be the first to say that there was nothing sinister in that statement, and nothing beyond a normal observation on the contract theory and its possible implications. But it does show that if you take a theory and apply it literally and too deeply you will get into a very difficult constitutional position. For instance, it would mean that not one single change should be made in our constitutional structure without the consent of every province, because it would be unthinkable that the provinces should be discriminated against in this respect, and that one province should have a right which another province did not have. That in its turn would mean that a majority of the people in the smallest province would be given a right of veto over every constitutional change in the country. That would mean about 61,000 people. If that course were adopted, and that is the logical implication of the constitutional theory which has been advanced under the compact theory, it would mean we would be saddled with a constitutional strait-jacket in this country which would make any progress and development quite impossible.

Is there any possibility, however, of the application of that kind of ridiculous suggestion to the amendment which we have before us today? Could the amendment be applied in any such form as that? I do not know; I do not know exactly what the amendment means.

An hon. Member: It does not say.

Mr. Pearson: I do not know because there are certain expressions in it which are pretty vague, and the importance of which can only be understood when they are interpreted. For instance, the operative part of the amendment reads:

> Now therefore be it resolved, that the government of Canada be required to consult at once the governments of the several provinces and that upon a satisfactory conclusion of such consultations a humble address be presented to His Majesty in the following words.

Therefore the first obligation under the amendment is the obligation of consultation with the provinces, an obligation which was not applied to the provinces when any other new province came into confederation, and which therefore might be considered by the people of Newfoundland not as an honour, as was suggested by a member last night, but almost as an affront. It would be subjecting them to a constitutional procedure which was not adopted in the case of any other province on its entrance into confederation.

But what is this obligation of consultation? What does it mean? Would it mean that the federal government would merely tell the provinces what we have done, and then after a decent interval go ahead and pass an address? Would it mean that we would con-

sult the provinces with a view to securing from them their observations, their comments, after an examination of the terms of union? That, of course, is what consultation normally means. That would take a good many weeks, as those of us who have had to work on this problem for the last eighteen months must realize.

After the provinces had gone into the question, and after they had made up their minds as to what should be done in the matter, then presumably they would report their view back to the federal government. Then if they had any changes to suggest to the terms of union, which have already been passed by this house, presumably they would ask that those changes be made which would mean another conference between the representatives of Newfoundland and Canada. Then after that consultation the parliament of Canada would have to decide whether there had been a satisfactory conclusion of such consultation.

What would be a satisfactory conclusion? Would we ask each province whether the result of the consultation had been satisfactory to it, or would we come back to the House of Commons and ask the House of Commons to decide whether a satisfactory conclusion to the consultation had been reached? In the latter case, would we then decide to act on a majority of one, and if we acted on a majority of one how much better off would we be than we are now?

It has been suggested in the debate that a satisfactory conclusion might be two-thirds of the provinces agreeing to the terms of union. I would ask those opposed to the procedure suggested by the government if they would accept that as satisfactory. Are they willing to accept, as a satisfactory discharge of consultation with the provinces affected, that two-thirds of the provinces agree to the course proposed; or is it desirable that every single province should agree before we have a satisfactory conclusion to the consultation?

Mr. Coldwell: Mr. Duplessis' view.

Mr. Pearson: It does show how difficult it would be for any member of the House of Commons to accept an amendment of this kind couched in these terms, with all the vague difficulties and dangers which may arise out of varying and contradictory interpretations. I also suggest that the debate has shown another thing which goes further than this particular amendment, and which has been referred to by other speakers in the discussion. It has pointed up and underlined the necessity for the working out in this country of some agreed method of reforming and amending our own constitution if such an amendment is required. If this debate has done nothing else but bring that nearer I think it will have served a useful purpose. If we are not able to agree among ourselves as to how that should be done, then we shall have endless and bitter argument over this very question of consultation, and what it means. We shall be adding fuel to the fire of those who are stirring up these conflicts of province against dominion, which will not only result in controversy and bitterness but indeed might result in ending all prospects of a strong, united Canada or in fact any Canada at all. No one in this house and no one in this country wants that result.

Just before I sit down, Mr. Speaker, I should like to quote once again from the leader of the opposition (Mr. Drew), who has the great virtue of putting these things in strong, pungent and effective language. On January 1, 1939, when I think there was a provincial election in the offing, he said:

> I shall go to the country clearly on the stand that Ontario is Canadian, one province in a united Canada within the British empire. I advocate the strengthening of national ties and divesting the province of every conflicting authority not necessary for provincial purposes.

Well, Mr. Speaker, I am not quite sure whether I would go quite as far as that or use language quite as strong; but the idea and spirit behind that language, I suggest, are right and good. I agree, and I hope we all agree, that no greater issue confronts the Canadian people today than the reconciliation, in a federal state, of the rights of the provincial and federal governments in such a way that without weakening those provincial rights there will be in Canada that national unity without which there cannot be national strength, national freedom or national progress. Let us raise our country high above the level of its lesser citizens who would set province against dominion, race against race, class against class and creed against creed, and by doing so would debase the great destiny that faces this country of ours.

Mr. John T. Hackett (Stanstead): Mr. Speaker, as one of those "lesser citizens"—guiltless of the crimes which were committed for six weeks in Nicolet-Yamaska—crimes against unity, crimes against decency—I dare raise my voice in this chamber.

Mr. Abbott: Nobody over there understood what was said in Nicolet-Yamaska.

Mr. Graydon: You're on the toboggan; that's what is the matter with you.

The Acting Speaker (Mr. Golding): Order. I must ask hon. members to refrain from interrupting the hon. member who has the floor. This is a free forum and every hon.

member should be able to present his views without interruption. I want to appeal to hon. members themselves to support the Speaker, the Deputy Speaker and myself in trying to carry out the rules.

Mr. Hackett: For the last four years, Mr. Speaker, it has been my privilege to be the sole representative of my party elected from the province of Quebec.

Mr. Cruickshank: You will have that honour for a long time.

Mr. Hackett: However, the gods, with that bounty for which they are noted, brought me from Nicolet-Yamaska a little brother the other day, and ere long I hope he will join us on this side of the house and take his part in these debates.

I shall discuss briefly the question that is before us, or rather the questions that are raised by the government's resolution. Those questions appear to be twofold. I think everyone here desires the inclusion of Newfoundland in the Canadian confederation; I have not heard any opposition on that point. There is another point, however, which is under debate, and it is set out in the resolution in these terms:

> And whereas Canada has requested and consented to the enactment of an act of the parliament of the United Kingdom to confirm and give effect to the said agreement and the Senate and House of Commons of Canada in parliament assembled have submitted an address to His Majesty praying that His Majesty may graciously be pleased to cause a bill to be laid before the parliament of the United Kingdom for that purpose . . .

That is the substance of the resolution. An amendment has been offered. I have not the difficulty in interpreting or understanding the clear language of the amendment that has troubled some hon. gentlemen opposite. That amendment suggests that before this resolution is passed the provinces should be consulted. I ask you, Mr. Speaker, what the resolution means, because we have varying interpretations from the government. The Minister of Justice (Mr. Garson), supported by the Secretary of State for External Affairs (Mr. Pearson), contends that the resolution does not anticipate an amendment to the constitution. Well, if it does not a great many people, including the government of Great Britain, are labouring under a very serious misapprehension. I do not believe the hon. gentleman who preceded me, the Secretary of State for External Affairs, will dispute the fact that the constitution was amended in 1946 by a statute of the United Kingdom, which statute was enacted upon the prayer of this chamber and the other place. Is there any doubt that the constitution of Canada was amended in 1946 when the basis of representation in this house was changed? We find in that imperial statute these words:

[The Acting Speaker.]

> This act may be cited as the British North America Act, 1946, and the British North America Acts, 1867 to 1943, and this act may be cited together as the British North America Acts, 1867 to 1946.

I turn to the resolution, and I find that not only does it say it is an amendment to the British North America Act, but I find it is couched in identical terms. Listen to them:

> This act may be cited as the British North America Act, 1949, and the British North America Acts, 1867 to 1946, and this act may be cited together as the British North America Acts, 1867 to 1949.

The hon. Minister of Justice (Mr. Garson) was asked if this resolution anticipated an amendment to the British North America Act. He answered quite candidly that it did not. You will find that question was put to him by the hon. member for Calgary West (Mr. Smith). It is recorded at page 521 of *Hansard*:

> Am I right in saying—and I am sure I am—that it is an amendment to the Canadian constitution?
> Mr. Garson: No.
> Mr. Smith (Calgary West): Who said no?
> Mr. Garson: The Minister of Justice.

Then, we turn to page 525 and find that when the Minister of Justice (Mr. Garson) addressed the house he said this:

> But, sir, in no substantial or honest sense whatever can it be said that this is an amendment of the Canadian constitution.

There is the statement of the highest governmental authority that this is not an amendment to the constitution. I am well aware of the fact that the House of Commons is not the place in which a constitutional argument can be made with great benefit; yet I do feel this matter is of such importance it is well to have it cleared up once and for all. I submit that this is an amendment to the constitution and I submit, furthermore, that there can be no doubt about it because the act says so.

Let us go a little further. We find that article 146 of the British North America Act provides—what? It provides for the entry into confederation of two classes of territory, provinces which are self-governing, and secondly, unorganized territory within the dominion. What else do we find? We find a provision for the entry of each category in the following terms:

> It shall be lawful for the Queen, by and with the advice of Her Majesty's most honourable privy council, on addresses from the houses of parliament of Canada, and from the houses of the respective legislatures of the colonies or provinces of Newfoundland, Prince Edward Island, and British Columbia, to admit those colonies or provinces, or any of them, into the union—

When the province of British Columbia joined the union, what happened? This

house and the Senate passed an address. The legislature of British Columbia passed an address, and an order in council by the British government gave sanction and effect to that understanding. The same thing happened when Prince Edward Island came into confederation; and, with a slight variation in procedure, the same thing happened when Rupert's Land was incorporated.

Here, Mr. Speaker, I now open a parenthesis. I am mildly astonished when a gentleman holding the responsible office of the last speaker, the minister of external affairs, refers in light terms to legality and legal quibbles when speaking of a thing so sacred as the constitution; of the instrument which makes secure our liberty and freedom of conscience, and which guarantees us the type of life of which we are proud and which the whole world envies. You must remember that this constitution provides a method for taking into this dominion certain areas. It prescribes certain conditions which must exist before those areas can come into confederation. It says that the colony of Newfoundland must pass an address or a resolution by its legislature before it can meet the requirements of the statute.

Let us be quite certain about this matter. This is not our statute; this is a statute of Great Britain. This is the statute enacted by the imperial parliament, the body in which the residuary powers of that island now abide, since their suspension, on the island's request, in 1930 or 1933. Who is it that says it has not the power to deal with this matter? Is it Newfoundland? Is it Canada? No. It is Great Britain that says this statute does not permit the king and his honourable privy council to ratify this agreement, be it good, bad or indifferent. The statute does not permit the ratification of this agreement between Canada and Newfoundland, because one of the conditions precedent, one of the elementary conditions, is lacking, and that is the will of the people of Newfoundland expressed through a duly elected legislature. That is the opinion of the law officers of Great Britain, Mr. Speaker, not of this House of Commons. The government of Great Britain says that under a particular statute the power is lacking to incorporate Newfoundland into the Canadian confederation by order in council. They have not got the power. Then, it is said by Great Britain, the statute must be amended. When the hon. Minister of Justice says that no amendment to the British North America Act is contemplated, he is in error. All I can say is, he cannot have read section 146 of the British North America Act. He should do penance for the omission and make excuses to the hon. member for Algoma East (Mr. Pearson).

Let us go one step further. The statute has to be amended because there is not the power in the British government to act, owing to the fact that the conditions precedent have not been met. Just by chance, it happens that the statute to be amended is the Canadian constitution. For the moment, I sweep aside the Statute of Westminster and I bring the matter down to a very simple question of fact.

With all of the care and with all of the interest that any statement on legal matters from the Prime Minister (Mr. St. Laurent) always provokes in me, I have read the argument advanced by him. I know he says that the people of Canada, whether they live in Prince Edward Island or in British Columbia, are represented by their duly elected members in this house. I know that he says, and I am quoting what he said in 1946 as reported at page 1936 of *Hansard* of that year:

> . . . that there was an assembly of distinguished gentlemen representing in the conferences four colonial legislatures, legislatures which legislated by delegation of the parliament of the United Kingdom . . .

—and that there is no need to consult the provinces. I do not wish to be offensive. The Prime Minister knows that. I admire his advocacy and his subtlety; but I doubt the worth and the actuality of his argument. It is said, and I think it is admitted, that no confederation could have taken place had Quebec not been in agreement. I think that is admitted. Confederation could not have happened unless the delegation from Quebec consented to enter the pact. I will ask my right hon. friend what he thinks the verdict would have been had he stood before a jury composed of Cartier, Cauchon, Chapais, Dorion, Langevin and Taché, and a score of others, and said to them that the conditions upon which they were to enter confederation could be changed at any time that a mere majority of this house and of the Senate asked the British parliament to do it.

I apply to his argument that homely test. I do not think that many here who know the spirit of men like Dorion, and others of that valiant host that took part in those debates, will dare to assert for one instant that, had it ever been suggested to them that our constitution could be amended by the British parliament upon the request of a mere majority of these two houses, that they would have agreed to enter confederation. By applying that test, I think some doubt must be cast upon the validity of the Prime Minister's argument.

Mr. Claxton: It has just been done fifteen times.

Mr. Hackett: Has the hon. gentleman a question to ask?

Mr. Claxton: Yes. I asked if it has not just been done fifteen times.

Mr. Hackett: It has been done rather frequently of late, and I will tell hon. members why. It was done in 1946 when there was no reason to do it. I was as anxious as any man sitting in this house to see full justice done to my province, which had suffered in its representation. But to achieve that purpose it was not necessary to enact an amendment to the British North America Act any more than it was necessary here had it not been for the muddle which now exists in relation to this matter.

I would go a little further. The Prime Minister has told the country, if not the house, that it is the intention of the government to devise some means whereby the constitution may be amended. The fact is that there is no statutory method of amending the constitution. The constitution, whether it be called a pact, a contract or an agreement, was the result of men getting together and coming to an understanding; and that understanding must persist until parties thereto consent to its dissolution. Otherwise, those who break it will be guilty of breach of faith. May I summon to the support of this thesis the following authority:

> The constitution of a country being once settled upon some compact, tacit or expressed, there is no power existing of force to alter it without breach of the covenant or the consent of all the parties.

That statement is from Edmund Burke; it embodies a principle that is fundamental to the civil law of Quebec as well as to the common law of every other province. It is as old as good faith. A contract is binding upon the parties until they are released therefrom.

Why all these amendments to the constitution? I had been wondering about that matter until the Minister of Justice (Mr. Garson) had the kindness to tell us the answer the other evening, and I refer to his remarks as reported in *Hansard* of February 2. In substance this is what the minister said: The Rowell-Sirois report did not find favour with the provinces; we tried to get it through in 1941 and failed, but we did get it into operation as a result of the war. We all know what has been the effect upon the provinces of the Rowell-Sirois report, for that is name given by the minister to the war agreements between the dominion and the provinces. In good faith the provinces yielded up their taxing powers to the dominion and much of their autonomy for the period of the war; and although the war is now nearly four years in the background, the provinces are still deprived of their prerogatives; their rights have not yet been returned. Knowing that the provinces will not consent to the suggestions found in the Rowell-Sirois report—and there is much that is good in it, but there is also a great deal that is not free from criticism—I am wondering whether we are making these continuous amendments to the British North America Act with a view to formulating a tradition that the British North America Act may be amended by a mere parliamentary majority for the purpose of enacting and enforcing the Rowell-Sirois report. If that be true, I would say to hon. gentlemen opposite who come from my province that they would do well to consider carefully how their vote should be cast upon this matter.

There are two matters involved here. One is the admission of Newfoundland. We are all anxious that that island, which stands as a sentinel on our eastern coast, and its hardy, laborious and God-fearing people, should take their place in confederation. The other question involved is the rape of the Canadian constitution. Much as I desire the advent of the Newfoundlanders, greatly as I would welcome them into the house, I hope that it will not be necessary, as a result, to see the constitution damaged and belittled in this popular assembly.

Some hon. gentlemen appear to be under a complete delusion as to what the situation is. This afternoon I listened to agreeable gentlemen who told us what had happened in Newfoundland. The facts are not very complicated. Newfoundland had a debt and the interest used to come due now and then. At a certain time Newfoundland asked Great Britain to take over its liabilities. It was a condition of the surrender of responsible government that Britain assumed the debts of Newfoundland, and set up a form of government which was not representative. Great Britain, by statute, set up what was called a special commission of government comprised of a governor named by Britain and six commissioners named by Britain, three of whom came from the island and three from Great Britain. The statute said that this form of government would be vested with full legislative power and executive authority. It set forth the modus operandi and enacted that it would remain in operation until Newfoundland was able to assume its financial burdens again.

The British North America Act provides no statutory method for amendment, and in this other British statute no means was provided whereby Newfoundland might regain its status as a self-governing colony. In the debates of the British House of Commons of December 11, 1945, I find that the Prime

Minister set forth what the government's intentions were in this regard. He said that a body was to be set up for this purpose:

> To consider and discuss amongst themselves, as elected representatives of the Newfoundland people, the changes that have taken place in the financial and economic situation of the island since 1934, and bearing in mind the extent to which the high revenues of recent years have been due to wartime conditions, to examine the position of the country and to make recommendations to His Majesty's government as to possible forms of future government to be put before the people at a national referendum.

That was the authority for the enactment by the commission of government in Newfoundland of what we would call an order in council, which provided for the election of 45 members to constitute a convention to investigate the situation in Newfoundland and report on what form of government Newfoundland wanted. The convention went far beyond that, and after two popular votes and a majority had said that they wanted to become united with Canada, the convention, instead of reporting to Great Britain, which would then have found a proper way to carry out the intent within the terms of the statute which happens to be our British North America Act, sent delegates to Canada to enter into negotiations. For the moment I am not going to discuss the negotiations; I am not going to discuss what Newfoundland did, and I am not going to discuss the power or the authority of the Newfoundlanders to do what they did; but the result is that a situation has been created, with the co-operation and collaboration of the Canadian government, which makes it impossible to bring Newfoundland into confederation without an amendment to the British North America Act.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Hackett: Mr. Speaker, I trust I am not unduly optimistic if I express the hope that even the Minister of Justice (Mr. Garson) will now assent to the fact that we are dealing with a request for an amendment to the constitution. Apparently everybody believes that we are dealing with an amendment to the constitution, except the Minister of Justice and his disciple, the minister of external affairs. I hope that after mature consideration they will be able to rally to the point of view of the British government.

There is another aspect to the question. Hon. gentlemen opposite have dealt in light terms with what they have called matters of form and technicalities. I think I mentioned before adjournment that the convention in Newfoundland had very limited powers of inquiry. Their sole duty was to inquire and report; they had no power to negotiate. Then, it may be said, that does not concern this house. But unfortunately it does concern this house because—if they had no power to negotiate and were not a legislature—the government of Great Britain had not the power under the statute to issue the necessary order in council to bring Newfoundland into confederation. If one wished to be facetious one could say that the habit of writing orders in council in this zone has become so deeply inculcated in the manners of the Canadian government that the possibility of any restriction upon that practice is difficult for hon. gentlemen to conceive.

However, it was found in Great Britain that under the statute the British government could not write an order in council admitting Newfoundland into the dominion because the statute does not give them that power. Hence the statute must be amended and the amendment of that statute, it being the British North America Act and our constitution, does affect us.

I say to hon. gentlemen opposite that the great majority of those who come from my province have preached, and I think many of them have believed, that there was something in the nature of an agreement at the time of confederation. They believed that they had entered into some kind of compact, some kind of understanding which gave them something more abiding, which conferred greater surety than does the volatile wish of a body which is under a party lash.

What are those hon. gentlemen going to say when they go back to their constituents? —because this matter will be taken into the constituencies. What are they going to say when they are asked if confederation was a compact, if it has any abiding significance? Are they going to say that they cast in their lot with those who held that Great Britain must amend the Canadian constitution at the mere request of a party vote in the two legislative halls of this parliament?

What are they going to answer when their electors say to them: Is it true, Mr. Member, that you stood in your place and were counted as being in favour of the proposition that the constitution can be amended merely because the parliament of Great Britain has been asked by the narrowest parliamentary majority to amend that constitution? What are they going to say when their constituents remind them that possibly at some time in the not altogether remote future the government which now holds office may pass from the scene and be replaced by another—I do not know by whom. I do know however that my party is full of understanding, and it appreciates the origin and genesis of our

constitution and the spirit of our people. The people of Quebec need have no fear of it. But supposing by chance there happens in Canada what has happened in numerous countries throughout the world today; suppose that the seats of the mighty in the legislature are occupied by men who are hostile to minorities, who are hostile to Christianity, who are hostile to civilization and decency as you and I know it, Mr. Speaker?

Their electors will say: So, you made it possible, by creating a number of precedents passed by the narrowest of party majorities of those sitting in the seats of government, to deny us those things for which we have battled and stood from the day that our forefathers put their feet on Canadian soil. Hon. members can tell their electors of the very able arguments of the Prime Minister (Mr. St. Laurent), but again I ask them: What will they say when they are asked what would have been the verdict if that argument had been presented to a jury composed of Cartier, Cauchon, Chapais, Dorion, Langevin, Taché and others whose names elude me at the moment? I think my hon. friends opposite who find it in their hearts to support this resolution and defeat the amendment will have to answer these critical and crucial questions.

A great deal has been said about the insignificance—the word is mine and if anybody does not like it I will use another—of the provinces. The provinces have a great role to play in the life of our country. We rely upon them for a large measure of the protection which is necessary to the life of a contented people. These separate centres of political action in this country are the very basis of our confederation and of the contented and orderly life of our people.

In conclusion I therefore adjure the members of this house to consider very carefully their conduct before they make of the constitution of Canada the plaything of a very temporary and possibly vanishing governmental majority.

(Translation):

Mr. J. A. Dion (Lake St. John-Roberval): Mr. Speaker, I had not intended to take part in the present debate, but following the challenge of the hon. member for Stanstead (Mr. Hackett) I feel compelled to reply. He asked us what we would tell our constituents in the province of Quebec when questioned about the way we proceeded regarding the annexation of Newfoundland. Here is what I intend to say to them: First, that a bill regarding Newfoundland was submitted to the house, where it was debated, and that the hon. members opposite did not deem it advisable to oppose it in the first place. However, having suddenly discovered that it entailed a constitutional matter about which they should protest vehemently, the debate having ended, they submitted a motion with the intention of stirring up a new debate. I shall also tell my electors that, according to section 146 of the British North America Act, the Canadian government had all the required authority, granted by the fathers of confederation, to accept Newfoundland and annex it as a province, having had that right since 1867. I shall also tell them that the amendment of my hon. friends opposite amounts to saying that they want consultation with the various provinces in order to ask them what Newfoundland should have done in this instance.

The hon. member for Stanstead is an eminent lawyer, since he is president of the Canadian Bar Association. Therefore, whenever a procedure is referred to him, he must, by force of habit, investigate it to find out whether it applies and is likely to give practical results. In fact, whenever a petition similar to the amendment now under consideration is submitted to a lawyer, he must move for details and particulars; he must certainly require information to find out what is involved and how the petition applies.

The hon. members who were in the house this afternoon realized that the Minister for External Affairs (Mr. Pearson) proved peremptorily and rather amusingly that the amendment moved by the Progressive Conservatives had neither rhyme nor reason.

Indeed, the real purpose is not to discuss Newfoundland's union with Canada, nor to consider on its merits the constitutional aspect of the matter, but simply to keep on playing the game of political football begun a few months ago between Ottawa, Quebec and Ontario. That is the only purpose, and this is so true that the remarks of the hon. members of the opposition bear no relation to the wording of the amendment itself. As a matter of fact, the wording of the amendment refers only to "consultation" of the provinces, while the word "consent" constantly recurs in the remarks of the hon. members. Of course, it is an altogether different matter, as the hon. member for Stanstead pointed out. Indeed, when a client comes to your office for a consultation, he is given what amounts merely to an opinion, which places him under no obli-

gation of any sort. That is what is required by the amendment. On the other hand, I do know that when a partner or colleague seeks my consent, it is not the same thing at all. He is requesting a permission without which he is unable to act.

If, in your speeches, you ask for consent, why not require it in your amendment? This is not at all what this amendment calls for. You are calling for a consultation.

You should first agree on what you want. Then we could talk it over.

Now, as to the theory of the confederation agreement or that of the statute, our opponents tell us they want to put up a fence and set on one side of the fence those who favour confederation, and on the other side those who favour adherence to the statute. We are not concerned now, I think, with defending an opponent or a bitter enemy of confederation. We are merely speaking of those who favour confederation and of those who swear by the statute. The statute merely followed the agreement; the wording of the British North America Act is simply that of the confederation agreement.

Now, may I ask you one thing? If we are to abide by the principle of the confederation agreement, should we consult only the four provinces that existed at the time of the initial pact, since the others had not yet entered? Everyone knows where that would lead us. Or should we consult all the provinces? This might bring about rather amusing results. On this point, I should like to quote what was said by the member for St. Maurice-Laflèche (Mr. Hamel), on June 26, 1946, during the debate on redistribution. An amendment which was almost identical to the one now under consideration was then before the house. Submitted by the hon. member for Lake Centre (Mr. Diefenbaker), it was worded as follows:

> Be it resolved that the government be required to consult at once the several provinces and upon satisfactory conclusion of such consultations be authorized to present an humble address . . .

It almost seems as though the leader of the opposition (Mr. Drew) framed his amendment in the exact terms used in 1946 by the hon. member for Lake Centre. The member for St. Maurice-Laflèche continued:

> If it is accepted, the dominion government will have to enter into consultations with the provinces. This gives rise to countless difficulties that are wellnigh insoluble in the present state of our legislation. In what manner will such consultations with the provinces be carried out? Will the provincial prime ministers themselves be asked to express the desire of their respective legislatures, or will the latter be called upon, in a regular or special session, to express their views through a resolution? No one has told us and the matter has not been provided for.

Indeed, there is absolutely nothing in the constitution to this effect and the hon. members opposite have found no such provision. The hon. member for St. Maurice-Laflèche continues:

> However, let us suppose that an appropriate method of consultation is agreed upon. The problem will then in no way be solved. For the amendment continues: "and upon satisfactory conclusion of such consultations." Who will decide whether the result is satisfactory or not, and on what basis will a decision be reached in that connection? Those are two more questions that remain unanswered. To my mind, it is obvious that the proposed redistribution will abolish certain unjustified privileges as regards representation in the House of Commons.

The hon. member was referring here to redistribution.

As I was saying, this has been shown conclusively and rather amusingly by the minister of external affairs (Mr. Pearson), and we are now told that the consent of the provinces is necessary.

This afternoon, the hon. member for Charlevoix-Saguenay (Mr. Dorion) said that the premier of Quebec had protested in that regard.

If I am not mistaken, the premier of Quebec, Mr. Duplessis, has merely said that they had not been courteous enough to consult him. He did not claim a right, he simply wanted courtesy, and we all know to what extent Mr. Duplessis is versed in matters of courtesy.

I shall now deal with the assertion which the hon. member for Beauharnois-Laprairie (Mr. Raymond) made this afternoon about the cost which the admission of Newfoundland into the confederation is going to entail.

Of course, it will cost something, but I find it strange that the very same people who, on the occasion of the privy council's award, gave part of Labrador to Newfoundland, protested at that time because immeasurable wealth which was included within the territory of Quebec had been made part of Newfoundland's territory.

Those people are the very same who today feel that the boundless and immeasurable wealth which then existed is not worth the price they are being asked to pay.

Mr. Raymond (Beauharnois-Laprairie): Would the hon. member allow me to ask a question?

Mr. Dion (Lake St. John-Roberval): Surely.

Mr. Raymond (Beauharnois-Laprairie): I understand that the hon. member is referring to what I said this afternoon, but when he adds that people protested against the privy council's award, is he referring to a stand I would have taken or to an expression of opinion on my part?

Mr. Dion (Lake St. John-Roberval): No, I am not referring to him personally but I think that people of the very school of thought to which I believe the hon. member belongs have voiced that opinion.

Mr. Raymond (Beauharnois-Laprairie): I am responsible for my own actions, not for those of others.

Mr. Dion (Lake St. John-Roberval): Now that I am talking about this question regarding which I have read the expression of divergent views I must say that the hon. member does not agree at all with his friends from *Le Devoir,* because not later than two or three days ago, I read an article by Mr. Sauriol in which he said he accepted the entry of Newfoundland into confederation, that it was a good thing for Canada, technically and geographically speaking.

That on which they disagreed was the procedure to follow. I quite understand that there can be differences of opinion on this point. It is understandable and I am not shocked at all.

Mr. Speaker, I had not intended to speak at length. I believe I have shown that all these points raised at the last moment are not designed to establish whether Newfoundland should be admitted into confederation, in accordance with section 146 of the British North America Act, whether we are seeking an amendment to the constitution, or whether we are violating certain parts of the act, but solely to establish, as I previously pointed out, whether we should carry on that game of political football begun quite some time ago.

As far as I am concerned, I feel we should stick to the point. It is unfortunate that all these questions raised in the house become strictly constitutional matters.

True, their constitution has its importance; it should be respected. I for one wish that we may soon have an autonomous Canadian body empowered to amend our constitution without having to make a humiliating pilgrimage to London, as we are now compelled to do.

In that connection, I take the opportunity of congratulating the Prime Minister on the announcement he made last week over the radio. In the meantime, we cannot by ourselves amend our constitution. We have no choice, so we must act as we do, no matter how unpleasant the procedure may be to us. I hope that before long all Canadians, those from the provinces and those from the dominion—in fact they are the same persons—imbued with a true Canadian spirit will be fond of their province because it is a part of Canada. They will work towards mutual understanding between the various provinces, placing common interests above petty electoral practices, in order to have a constitution which will guarantee full and complete justice to each and every one.

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, I feel duty bound to make a few remarks in connection with this debate.

May I say, Mr. Speaker, that I have no doubt whatever about the sincerity of the Prime Minister (Mr. St. Laurent) in his statement on the matter. He expressed his opinion frankly and directly, in his usual straightforward manner.

Unfortunately I am unable to say as much of the leader of the opposition (Mr. Drew), especially after reading some past statements of his, as reported by the *Globe and Mail* of September 8, 1939. I quote:

> We have strayed from the road traced by the fathers of confederation. The powerful central government that the provinces have sought to establish is shackled by petty politics. The constitutional difficulties which prevent adoption of urgently needed efficient social legislation, could be overcome without waiting for an amendment to the British North America Act.

And at Fort William, on January 26, 1939, the leader of the opposition said:

> I favour the strengthening of national ties and the removal from the provinces of all powers inconsistent with those of the federal government, not required by the provincial administration.

Such was the frame of mind of the hon. member before he became leader of the opposition. Let us see what has been his change of attitude since becoming leader of the opposition. After reading carefully the amendment he submitted to the house, one readily sees that he maintains his centralizing policy, that he wishes the people of Quebec to believe

that he is opposed to centralization and favours provincial autonomy. At the same time he reserves the right to maintain his centralizing attitude—which has characterized his whole political life—should he ever assume power and become leader of our government.

He submitted the following amendment to the house. I quote: "And whereas it is desirable that the government of Canada should consult with the governments of the several provinces in respect to the said matter; now therefore be it resolved that the government of Canada be required to consult at once the governments of the several provinces and that upon a satisfactory conclusion of such consultations 'a humble address be presented to His Majesty in the following words':"

"And upon a satisfactory conclusion of such consultations". Who will decide whether the consultations are satisfactory? No one. The resolution does not say.

He leaves himself a way out. He shows or rather tries to show the province of Quebec that he is against centralization and for autonomy, but if ever he should come to power, and be criticized for amending the constitution, he will simply reply: "I consulted the provinces and in my opinion these consultations came to a satisfactory conclusion".

Such will be the attitude of the leader of the opposition in the future.

Had he been sincere, had he intended to stand by what he said in his speeches, the amendment he submitted would have included the words: "with the consent of the provinces". That is entirely different from the expression "satisfactory conclusion of consultations".

Instead, he tried to raise an iron curtain between himself and his future political life. This is the attitude of a man lacking in sincerity because, from the political standpoint, this amendment, for sheer hypocrisy, tops any other ever introduced in the house. Nor can I accept the contention of all the speakers who interpreted "satisfactory conclusion" as meaning "consent" of the provinces. Such was the inference made this afternoon by the hon. member for Stanstead (Mr. Hackett). He tried to create . . .

(Text):

Mr. Hackett: Mr. Speaker, I rise to a question of privilege. The hon. gentleman has put into my mouth words I did not utter, and I ask him to withdraw them.

Some hon. Members: Go ahead.

(Translation):

Mr. LaCroix: Mr. Speaker, I feel that under the circumstances . . .

Mr. Speaker: The hon. member for Stanstead (Mr. Hackett) has just complained to the chair that the hon. member for Quebec-Montmorency (Mr. LaCroix) has uttered certain words—

Mr. LaCroix: What are the words which the hon. member does not like?

(Text):

Mr. Speaker: Would the hon. member kindly mention the words the hon. gentleman has used, and which the hon. member says he did not utter?

Mr. Hackett: The hon. gentleman has put into my mouth—

(Translation):

Mr. LaCroix: What expression of mine did the hon. member find offensive?

(Text):

Mr. Hackett: The hon. gentleman has said that I used the word "consent" in referring to the provinces.

Mr. Brunelle: Not that you used it.

(Translation):

Mr. LaCroix: Would the hon. member have any objection to speaking in French? I do not understand what he says.

(Text):

Mr. Hackett: I am not going to be questioned.

(Translation):

Mr. LaCroix: May I, in turn, direct a question to the hon. member? Since he represents a Quebec French-Canadian constituency—

Mr. Speaker: Order.

Mr. LaCroix: Since he represents a Quebec French-Canadian constituency, could he repeat in French what he has just said in English?

(Text):

Mr. Speaker: Order. I would suggest to the hon. member for Stanstead (Mr. Hackett) that if he did not use the word "consent", he might mention the word he did use so that the hon. member will understand what word he should use.

Mr. Hackett: I have merely stated, Mr. Speaker, that I did not use that word with reference to the provinces. I thought the hon. gentleman would be glad to know that so that he would not be proceeding on a basis

which was not founded on fact. I have drawn it to your attention. I thought the hon. gentleman would be glad to know it.

(Translation):

Mr. Hartt: You did not quote his words; you expressed an opinion.

Mr. LaCroix: However that may be, Mr. Speaker, I wish to give the hon. member an opportunity to show whether he is or is not in favour of the word "consenting", because I shall have the honour to move an amendment to the amendment . . .

(Text):

Mr. Hackett: Mr. Speaker, I must ask for a ruling.

Mr. Speaker: Order. I do not think the hon. member should insist upon the word being withdrawn. If the hon. member, during the course of his remarks, said that the hon. member for Stanstead (Mr. Hackett) used the word "consent" when the hon. member for Stanstead did not use that word, I am sure the hon. member who has the floor will make a correction.

(Translation):

Mr. LaCroix: I was under the impression that the hon. member for Stanstead (Mr. Hackett) had used the word "consent".

Mr. Hackett: I am not complaining at all about that.

Mr. LaCroix: Then the matter is settled.

Mr. Hackett: If a false impression was given, I am not to blame. False impressions crop up everywhere.

Mr. Gagnon: Quite true.

Mr. LaCroix: Besides, it squares with Progressive Conservative policies.

Mr. Lesage: It is consistent with Progressive Conservative policies to leave people everywhere under a false impression.

Mr. Gagnon: They did not give a false impression in Nicolet.

Mr. LaCroix: I am speaking to the Progressive Conservatives. It looks to me as if the hon. member for Chicoutimi (Mr. Gagnon) belongs to that group.

Mr. Langlois: That we know.

Mr. Gagnon: Any group rather than that of the hon. member for Quebec-Montmorency.

Mr. LaCroix: Mr. Speaker, may I be permitted, at this stage of my remarks, to move, seconded by the hon. member for Temiscouata (Mr. Pouliot):

That the words "after they will have given their consent" be substituted for the words "upon a satisfactory conclusion of such consultation" in the last paragraph of the amendment.

[Mr. Hackett.]

Mr. Speaker: Mr. LaCroix moves, seconded by Mr. Pouliot:

That the words "after they will have given their consent" be substituted for the words "upon a satisfactory conclusion of such consultation" in the last paragraph of the amendment.

Mr. Low: Could you translate it into English please?

Mr. LaCroix: Mr. Speaker, I cannot admit either . . .

(Text):

Mr. Low: Mr. Speaker, could we have that amendment translated into English so that we can all understand it?

Mr. Speaker: I will have the translation made in a few moments, at which time it will be repeated to the house.

(Translation):

Mr. LaCroix: Mr. Speaker, I cannot share, either, the view expounded by the leader of the C.C.F. (Mr. Coldwell) who holds that whenever a national issue is involved we are entitled to change the constitution without consulting the provinces.

The adoption of this view would lead us very far indeed. There is no telling what we would see if the C.C.F. party, to our great misfortune, ever came to power. This would be true especially of a minority like ours which seeks to conserve its French and Catholic traditions, on the banks of the great and beautiful river which bears the Prime Minister's name, and which considers itself, and rightly so, as the last outpost of French thought and culture on the North American continent.

I do not share the opinion of those who claim that the province of Quebec need not be consulted with regard to the annexation of Newfoundland.

The province of Quebec has too many interests in this respect to allow itself to be totally neglected. What about the borders between Labrador and Quebec, which are not yet clearly defined? That is a question of vital interest to my province, because of the great natural resources which lie in that part of the country.

We must also consider the fact that Great Britain deprived Quebec, by means of an award by the privy council, of all that part of my province which is called Labrador, which I still consider part of the province of Quebec, but this was done by England in order to confer an asset upon Newfoundland in anticipation of her future negotiations concerning union with Canada.

In view of the violent attacks of the C.C.F. party, which favours extreme centralization, and of the fact that Quebec is deeply concerned over the question of natural resources, and because of my own convictions, after the

hon. member for Temiscouata showed yesterday that it was possible to wait until such consultation had been effected and the necessary consent obtained, I believe it is my duty to maintain in this house the attitude I have always held: that of stoutly defending the rights of Quebec and the respecting of its prerogatives and privileges.

I must add, however, that I will not vote in favour of the amendment moved by the leader of the opposition. I consider it to be lacking in sincerity and like a man who would arrange a way out so as to apply—if he should ever become leader of the government—the policy of centralization he advocated on September 8 and January 26, 1939, and which is not likely to reassure Quebec.

Therefore I state my proposal very plainly and clearly. If the Progressive Conservative party will accept my amendment to the amendment, I shall support their amendment, but if they reject my own, I submit that theirs will forever go down in parliamentary history as an act of hypocrisy.

(Text):

Mr. Ralph Maybank (Winnipeg South Centre): I regret very much, Mr. Speaker, that I am not able to follow the remarks made by the hon. gentleman who has just taken his seat. Always, when I hear members from Quebec speaking in the tongue that is most familiar to them, I am envious. But, when I find them also conducting a quarrel with a non-French member of the house who is, himself, blessed with a knowledge of "the twa tongues" my envy is still greater. I am unable to make any examination of the remarks the hon. gentleman has made, but perhaps that is just as well because, in the limited time at my disposal, what I really desire to do is to consider the amendment proposed by the leader of the opposition.

What I should like to do before this debate comes to a close is to examine what I think is a superficially clever manoeuvre by the Tory party, and just see where we would get if we followed the procedure which the hon. leader of the Tory party has offered to this house. As a matter of fact, sir, I submit to you and to the members of this house that the amendment of the Tory leader shows something very important. It shows that he and all of his supporters are either inane or insincere. That is the proposition I put to the house at the present time with reference to the amendment.

Some hon. Members: Oh, oh.

Mr. Maybank: We observe that the claque clacks quite quickly.

Mr. Speaker: Order.

Mr. Maybank: The Tory leader has been well served by his claque and probably will continue to be served well by them. We will find members of it moving from place to place and calling out remarks.

Mr. Miller: On a point of order, Mr. Speaker, or on a question of privilege, the hon. member for Winnipeg South Centre (Mr. Maybank) has been in this house a good deal longer than some of the rest of us and he knows full well that when he refers to the leader of our party, or he should know—

Mr. Bryce: Why do you boys not go back to Manitoba where you can agree?

Mr. Speaker: Order. I would suggest to the hon. member who has risen on a point of order or a question of privilege, that he state his point of order or question of privilege.

Mr. Miller: The hon. member has been referring to the leader of our party as the leader of the Tory party. I maintain that, according to the custom of this house, he should be referred to as the hon. leader of the opposition.

An hon. Member: That is a matter of opinion.

Mr. Maybank: Mr. Speaker, there have been a great many silly emanations from the opposite side of the house, but I think perhaps that takes the cake.

An hon. Member: Extremely clever.

Mr. Speaker: Order.

Mr. Maybank: I had remarked on the proposition that this amendment which is before us shows either inanity or insincerity, and it is difficult for an impartial observer to decide which of those terms is the right one to apply. One's love for his fellow men, particularly some of those who are calling out foolishly from time to time, would naturally incline him against believing that there is so great insincerity among them as their amendment seems to disclose. But when you consider the procedure that is offered us, it is extremely difficult to believe that these gentlemen and the leader of these gentlemen can actually be so foolish as this proposal shows them to be. Well, I have to say I do not know which description applies to them; that is, whether they are foolish or insincere.

But perhaps what this amendment says should be examined in the light of the record that we have before us; and I should like, just briefly, to set forth that record. Last week all of these gentlemen were indicating, by their various speeches, that just as soon as possible—and certainly by March 31—they wanted to get the commonwealth, shall I say, of Newfoundland into the confederation known as Canada. And tonight they would claim they still propose to do just that same

thing, but by the method and in the manner indicated in their amendment. Bear in mind that whatever must be done is to be done by March 31.

Take a quick glance at the record thus far. The government of the day has negotiated with representatives of Newfoundland an agreement under which Newfoundland will enter the Canadian confederation and become the tenth province. The government comes to this House of Commons and recommends that agreement. All last week we in this chamber debated the terms of union. Speeches were made by Conservatives as well as others; and without exception the right hand of Canadian brotherhood was extended to the people of Newfoundland. There was no indication last week that any of these expressions of good will were not genuine. The Tories seemed to be sincere. If they had a dagger for the agreement, they had it well hidden beneath their cloaks. Yes, it looked as if they wanted Newfoundland to come in. No person put forward any objection to the terms which were proposed and which were settled in this agreement.

All that time, it was understood by every person that every step must be completed by March 31. March 31 was actually to be the date of Newfoundland's crossing the threshold into the house of Canadian confederation. On the basis of last week's debate, not merely every person in this house but every person across Canada and every person in Newfoundland must have felt that the entry of Newfoundland into confederation, on the terms which had been worked out in the agreement, was acceptable all round; indeed, that it was warmly welcomed by all parties and by practically every member in the house. It is important that all people should know that when the debate was going on last week, each member in this chamber, and every Tory who spoke, particularly the Tory leader, knew quite well what the next stage in these proceedings was to be.

Mr. Drew: Mr. Speaker, I have no intention at all of interrupting the irresponsible statements of this hon. member.

An hon. Member: You cannot take it.

Mr. Drew: I point out, however, that the motion to forward this act to the government of the United Kingdom—

Mr. Brunelle: What is this? Is it a point of order?

Mr. Drew: —was not placed on the order paper until Thursday, and at that time the debate on second reading had been fully before this house.

[Mr. Maybank.]

Mr. Maybank: Mr. Speaker, the statement the hon. gentleman has made is not true. You will bear in mind that I have not attacked his veracity.

Mr. Jackman: It does not make any difference. Retract it.

Mr. Maybank: I will prove it.

Mr. Drew: Mr. Speaker, I rise—

An hon. Member: Sit down.

Mr. Drew: I ask that the member withdraw that statement.

An hon. Member: Sit down.

Mr. Speaker: I would ask hon. members to bear in mind that the member who has the floor should not be interrupted without his permission. If an hon. member wishes to rise to a question of privilege, it is his right to do so. But he should state what his question of privilege is.

Mr. Drew: Mr. Speaker, on the formality of a question of privilege, I ask your ruling as to whether in this house it is proper for a member to say that a statement made by another member is not true.

Mr. Abbott: It is a question of fact.

Mr. Speaker: I would suggest that the hon. member modify his expression.

Some hon. Members: Withdraw.

Mr. Speaker: Order.

Mr. Abbott: It is a statement of fact.

Mr. Maybank: Hon. gentlemen who call out "withdraw" and who would not be satisfied with a modification of what I have said need not disturb themselves. My intentions are quite different from any diluting of anything that I have thus far said. I wish to deal—

Mr. Jackman: Withdraw.

Mr. Maybank: I wish to deal for just a moment with this question of order. There is no occasion for me to withdraw.

Mr. Speaker: Order. I will not stand for the reflection which has just been made by an hon. member to my left, if I understood him correctly. He said that I am tolerating something from one side of the house that I would not from the other. I would ask hon. members to be generous enough to listen to the hon. member who has the floor. Actually some hon. members have asked me to be very severe with the hon. member who has the floor. If I had been as severe yesterday as some members suggest I should be today I would have asked many hon. members to withdraw what they had said.

Mr. Rowe: Mr. Speaker, on a point of order, I have every respect for your ruling, and I think other hon. members should have respect for it as well. You have asked the hon. member to at least modify his statement. He deliberately rose in his place and said he would not dilute it.

Mr. Maybank: That is quite right. The hon. gentleman has given the statement exactly as I made it.

Mr. Speaker: Order. I am sure the hon. member who has the floor will be pleased to modify the expression which he has used.

Mr. Maybank: Mr. Speaker, with all respect to you, I must say that there is no occasion for modification unless I should fail to prove that which I have said; but if I should fail to prove it to the satisfaction of the hon. gentleman opposite then I would not merely modify it, I would withdraw it and apologize.

Mr. Rowe: Again I rise to a point of order—

Some hon. Members: Sit down.

Mr. Speaker: Order. Again I ask the hon. member to modify his expression, and I hope I shall not be obliged to rise again and ask him to do so.

Mr. Maybank: Mr. Speaker, I just do not know where to start to endeavour to meet your wishes.

Some hon. Members: Sit down.

Mr. Maybank: One thing is certain. You can see, Mr. Speaker,—

Mr. Rowe: It is an order from the chair.

Some hon. Members: Order.

Mr. Maybank: You can see that they do not wish to give any person an opportunity even to follow up your suggestion, sir. Let us see what I said to which they object. What I said was that the statement which the hon. gentleman leading the Tory party said was not true; and I quickly said that it was not his veracity I was attacking. That is the statement I made to which objection is taken. Perhaps I had better start at the beginning and say what I said. I said, "the statement is not true." I will withdraw that statement.

Mr. Jackman: Hear, hear.

Mr. Maybank: How would that be?

Mr. Rowe: That would be fine.

Mr. Maybank: Let us see whether the hon. gentlemen themselves will not say in just a moment that the statement which their leader made was not true. Let us see if that is not so. I will ask any hon. member to look up the *Votes and Proceedings*. If he does that he will find, in the *Votes and Proceedings* of Tuesday and not Thursday, the motion which we are debating at the present time. Look it up for yourselves. You know, Mr. Speaker, these gentlemen might as well learn that it is always difficult to be a player and an umpire at the same time.

Mr. Rowe: You have just found that out.

Mr. Maybank: However, I will put it to them. They can be the umpires. All they have to do is to look at the papers which they have on their own desks, and they will find the motion there on Tuesday, not Thursday.

Just to reply a little further to what the leader of the opposition said, I should like to make this comment, sir, since all this pother has arisen. Even if I had been wrong, it did not constitute a point of order. He has the opportunity later on to make a speech and show that I was wrong.

An hon. Member: Read the rules.

Mr. Maybank: He has to pop up like a jumping jack. If he does not do a great deal of jumping then some of the members around him will not imitate him and be jumping jacks, and there is nothing he wants more than a crowd of jumping jacks around him. That is why he raised the bogus point of order, and bogus points of order come naturally for him, as you realize when you see how bogus is the proposition which he has introduced in this amendment. I presume they consider it to be their duty to yell out many different kinds of expressions in support of their new peerless leader. They have had about umpteen "peerless" leaders in the last few years.

May I return quietly to the point before the house, with which I was dealing before I was so rudely and unnecessarily interrupted? I was saying that every person knew that the next step in the proceedings was an address to be passed by this parliament, directed to the British parliament, which would request the enactment of the necessary British legislation to effect Newfoundland's entry into the Canadian confederation. The actual resolution requesting that has been on the order paper since last Tuesday, as I have said. Up to last Friday the position was that the Tories were taking the position that they wanted to effect the union of Newfoundland and Canada in accordance with the terms of the agreement already mentioned, and to do it by March 31. They wanted hon. members to believe that that was their attitude. They wanted the people of Newfoundland to believe that that was their attitude. They

wanted the people of Quebec, of Ontario, and of all the rest of Canada to believe that that was their attitude. They knew at that time the procedure that had to be taken to effect this union. They never gave any suggestion or any hint of wanting a different course taken. Had they done so they would naturally have been subjected immediately to criticism across the country—as they are now being subjected—of being either insincere or not candid. But yesterday the leader of the opposition (Mr. Drew) moved this amendment, and it needs to be examined carefully. The operative part reads as follows:

Now therefore be it resolved, that the government of Canada be required to consult at once the governments of the several provinces and that upon a satisfactory conclusion of such consultations a humble address be presented to His Majesty . . .

The remainder of the resolution would read in the same way as it appears on the order paper at the present time and which was moved by the Prime Minister.

Mr. Fraser: The leader of the Grits.

Mr. Gardiner: Proud of the name.

Mr. Ross (Souris): Who wrote his speech? Who wrote the speech? He is not reading it well.

Mr. Maybank: A little while ago I had to comment about something silly that had come out of Portage la Prairie, but I think it has now been topped by the question of the hon. member for Souris.

Mr. Miller: Mr. Speaker, on a question of privilege, I take it that the hon. member has just referred to me as being something silly that has come out of Portage la Prairie.

Mr. Maybank: No, I did not mean that. As soon as I make it clear to the hon. member that I did not mean him personally, the hon. member for Portage la Prairie, when I said that something silly has come from there—as soon as I tell him that I did not mean that—I am sure he will be satisfied. I would like to add that it is bound to cause a little amusement when one notices the speed with which he rose thinking that it had been applied to him, himself. My reference was to his own earlier point of order some time back.

Mr. Miller: On a question of privilege, the hon. member has no right to imply by indirection what he cannot by our rules say in straight out-and-out words. He is implying now what he cannot say by straight direction and I demand that he refrain from doing so.

Mr. Irvine: These gentlemen are going to spoil coalition in Manitoba.

Mr. Ross (Souris): Page the Minister of Justice; he ruined it.

[Mr. Maybank.]

Mr. Maybank: What a welcome interruption, to have helped us all to laugh at ourselves. Up until then I must admit that I was tempted to laugh a little at the hon. member for Portage la Prairie for taking umbrage at a remark which he thought was directed at him. I did not suggest that he was silly, I only said that his interruption a while back was silly, and of course that was true. He is now trying to make himself look worse, which is a rather difficult thing to do.

May I just proceed? Before the last interruption—I have just forgotten whose it was—I had read the operative part of the amendment offered by the Tories, and I stressed particularly the words, "satisfactory conclusion of such consultations." What that means is, first, that before asking the British government to pass the necessary legislation to effect the jointure of the two countries there must be consultation with the provinces. Second, in consulting them there would have to be what the amendment calls "a satisfactory conclusion." Third, if, as and when nine satisfactory conclusions have been reached at nine consultations, then and then only should there be presented by the Commons and Senate "a humble address to His Majesty" asking that the necessary legislation should be passed at Westminster. All of this would have to be done by March 31.

The amendment purports to have the provinces determine whether Newfoundland shall be taken into confederation. It must be patent to every thinking person from all that was said in the debate last week, as well as from all the other evidence, that such reference is entirely unnecessary. It is also competely without precedent. It must not be overlooked that the leader of the Tory party desires to introduce into our governmental system the veto of the security council of the united nations and no doubt he proposes to cast one of his Tory premier friends in the role of Joe Stalin in order to prevent anything being done. He would emulate the communists whom from time to time he affects to condemn.

I hope the people of Newfoundland appreciate just what is the attitude of the Tory party, typified not merely by its leader but by every man jack who is sitting around him. I hope the people of Canada fully appreciate the trick that is being attempted.

But even aside from his veto feature, take a look at the practical effect of this amendment. A serious reference of this question to the nine provinces could not be made unless the terms of union were still open. A reference that would be a serious one would have to be one that would give the provinces an opportunity of having some hand in the conduct of the actual negotiations. The proposed

reference can hardly be serious. The Tories say in effect: "Let us, the Canadian parliament, make a decision with reference to the terms of union, which matters are within the competence of parliament and then, having arrived at a conclusion as to what are satisfactory terms, submit the agreement, upon which we are in concurrence, to the vote, and possible veto, of the provinces. That most certainly is a travesty of confederation.

In his resolution the Tory leader says that nothing must be done until there is what he calls "a satisfactory conclusion" of the dealings, negotiations, consultations or whatever you wish to call them, with the nine provinces. He is careful not to say what he means by "a satisfactory conclusion". We cannot tell whether he means that he would be willing to let Newfoundland into confederation as a new province if three-quarters of the provinces agreed, whether he would be satisfied with a two-thirds count, or whether he would be satisfied with a mere majority. As it stands now, he commits himself to the principle of the veto. What his resolution means is that he will not allow Newfoundland to become part of Canada unless and until some of his Tory premier friends have expressed their acquiescence.

An hon. Member: Which one?

Mr. Maybank: It is not hard now to indicate which one. I suggest that it is a big price for any party to pay for the support of one individual or several individuals. It means that they are ready to play fast and loose with this serious question of bringing Newfoundland into confederation. They are willing to play fast and loose with that serious question in order to get the support of Premier Duplessis of Quebec.

The odd thing about it is that they can sit there and laugh with glee at the trick they are attempting to play.

Mr. Drew: We are just laughing at you.

An hon. Member: You do not see what we see.

Mr. Maybank: That is right. They do not see what I see and I do not see what they see.

Mr. Abbott: Not bad.

Mr. Knowles: The blind leading the blind.

Mr. Maybank: I am bearing up under the terrible view in front of me. I am keeping my humour despite the horrendous vista before me.

Mr. Rowe: That is about all you have got.

Mr. Maybank: There is another thing I might say to those who made reference to that which they could see, and by inference to that which I could see. They might as well make up their minds now that they are not going to yell me down, or make noises on their desks or with their feet or in any other way, and succeed in stopping me.

Mr. Fraser: We are enjoying it. We would have to pay half a dollar to see a show.

Mr. Deputy Speaker: Order.

Mr. Maybank: It is a great thing when people will pay half a dollar to see themselves as a show—and a rather poor show they are making in this particular matter. People who would put forward this kind of proposition, which is patently insincere or crazy, are surely pretty irresponsible people when they can sit there and laugh about it.

An hon. Member: We are laughing at you.

Mr. Maybank: Their position is that they are willing to give a veto to one man on this very important question in order to obtain his continued support. That is what it amounts to. You know, I am not sure but what something has been paid already. This may be the pay-off. Maurice has helped very substantially in Nicolet-Yamaska, and this is their payment, the payment to him.

Mr. Rowe: It might be your pay-off, too.

Mr. Maybank: I can say to the hon. gentleman who interrupted with that cynical remark that if I had to win by this kind of sale I never would win at all. I should like to appeal to some of those fine, decent men over there to stop this Tory business of endeavouring to buy their way into Quebec.

As I speak, something reminds me of Walter Savage Landor, who has written a few volumes of very fine stories under the title, "Imaginary Conversations". They are very interesting. I would recommend that the hon. members opposite read some of them. They would find much that would be helpful. I was playing with the idea of what Landor could do in writing another story. It could be a conversation between the premier of Ontario and the premier of Quebec. I suppose the imaginary conversation would have been something like this: "Well, now, look, Maurice, you may depend upon this. There will never be anything done of a constitutional nature without your having the last say. I can assure you of that, Maurice." The reply would be, "Well, George, remember if you do not keep that promise I can ruin you just as quickly as I can make you."

Some of these men who are pinning their faith on the same sort of thing that their party has attempted before had better remember that their good friend, Maurice, can ruin them just as quickly as he can make them, if he can "make" them at all. They had better remember that. They will always have to pay

through the nose for any support they get. However, that is their business, not mine. Of course, along with Maurice they get such characters as the one mentioned by the hon. member for Rosetown-Biggar (Mr. Coldwell) a few days ago, Paul Sauriol. They get the support of that sort of character, too. They make bedfellows of themselves with Monsieur Houde, the "imperialist," Camillien. Oh, yes, they get that. They get Chaloult thrown into the bargain, and a great many like him. They the great flag wavers acquire these friends. They get all these people I have mentioned as long as they give to Maurice Duplessis the power of veto on any measure of the sort we have before us tonight. Just before I conclude I wish to say this.

Some hon. Members: Don't stop.

Some hon. Members: Stop.

Mr. Maybank: When these gentlemen make up their minds whether or not they want me to go ahead, then I will know. They seem to be a little uncertain. By their amendment the Tories have put themselves in the position that, according to them, the resolution proposed, whereby Newfoundland will be brought into confederation, is wrong, and that the only right way is to have the amendment carried which would send the matter to all of the provinces one after the other for agreement, or veto. A good many remarks were made by the hon. member for Stanstead (Mr. Hackett) which seem to indicate that is, indeed, the position they are taking. If that is their line, if the procedure of their amendment is what must be done, then they should vote against the motion of the government to bring Newfoundland into confederation. They should vote against it if they have the nerve to do so. I challenge the Tories now to vote against the resolution. I tell them to their faces that, in spite of all their talk, yelling and laughter, they have not got the nerve to do so. They are again trying to play both ends against the middle. They are hoping to be able to go out and say, "We did everything we could to bring Newfoundland in"; and they want to say in some places, "We did everything we could to keep Newfoundland out except on your say-so." They want to be in the position of saying both.

Under their scheme you will find them striving to get as many votes as possible in Ontario by saying, "We took the proper line for Canadian expansion to bring in this fine new province." That is what they want to say in Ontario. In some places in Quebec they want to say, "You see, we did all we could to put Maurice Duplessis in the position we wanted him to be, the arbiter of all such things as this." That is their position, and I dare them to vote against the resolution.

Mr. Deputy Speaker: Order. I have been asked to read in English the amendment to the amendment which was moved by Mr. LaCroix. It is as follows:

That the words "after they will have given their consent" be substituted for the words "upon a satisfactory conclusion of such consultations" in the last paragraph of the amendment.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I enter this debate for one main purpose; that is, to clear up an obvious misconception which exists as to the real meaning of the amendment moved by the leader of the opposition (Mr. Drew). But before I do that I feel I must make reference to some remarks which have been made, mainly from the other side of the house. I think most hon. members have heard about as much as they wish to hear from or about the hon. member who has just taken his seat, but I cannot allow his remarks to go altogether unanswered, so I shall start with them though I shall not dwell on them for longer than is necessary. The hon. member made a great deal of the words "inanity" and "insincerity". From the whole tenor of his remarks it becomes obvious to hon. members, I think even on his own side, that anyone so incapable of experiencing or understanding sincerity as he would not be able to see any sincerity in a suggestion made by anyone else.

There is one thing, however, on which I think the hon. member for Winnipeg South should be congratulated. He has studied the rules with such care and diligence and to such good effect—and apparently just for this purpose—that he can come closer than any other hon. member can to unparliamentary language, procedure and behaviour without actually overstepping the bounds.

But that is the only thing upon which he is to be congratulated. Indeed, if success in this house to is be measured by the proportion of calculated insult and contumely carried in speeches, then certainly the hon. member for Winnipeg South, who has just resumed his seat, would have scored a remarkable victory.

Mr. Maybank: I want to raise a point of order, with which I believe the hon. member will agree. I am sure he would not wish to have those remarks directed to the wrong member. Mr. Mutch is the hon. member for Winnipeg South; I am the member for Winnipeg South Centre. I hope the hon. member will get that fixed up, because I should like to get it all in the right place.

Mr. Rowe: So would the other hon. member.

Mr. Maybank: That is right.

Mr. Fulton: If it is necessary to ask for any correction in *Hansard*, I most certainly do so, but I feel quite certain that no hon.

member of this house can have any doubt as to the hon. member to whom in fact I was referring.

Having said that, Mr. Speaker, I propose to turn to remarks made in the course of this debate which are more worthy of serious consideration. I do so, as I said when I rose, for the purpose of correcting an obvious misconception as to the real meaning of the amendment moved by the leader of the opposition. I do not intend to discuss the question whether confederation was a contract or a pact or a compact, nor do I feel qualified to make any lengthy dissertation on constitutional law. I do propose to say a few words, however, on what I believe is the point at issue in this amendment. I do so because on reflection and on studying the remarks of speakers from the government side, and indeed from the C.C.F. party, it is obvious that many of them have missed the point. I refer particularly to the speeches of the hon. member for Rosetown-Biggar (Mr. Coldwell), the Minister of National Defence (Mr. Claxton), the Minister of Justice (Mr. Garson) and the Secretary of State for External Affairs (Mr. Pearson). The Minister of Justice made a great deal of what he said was the unfortunate necessity thrust upon him of having to deal with the obvious. He then proceeded to deal with the obvious. He dealt with matters which were obvious to all hon. members in the house, and he dealt with them in an exceedingly obvious manner. But unfortunately he had missed the point, so while he did deal with what was obvious and dealt with it plainly and in a straightforward fashion, his remarks were not in fact a contribution to the point at issue.

Briefly, Mr. Speaker, the point at issue is this. The point of the amendment is not whether the present nine provinces should be consulted on the merit or otherwise of admitting Newfoundland into confederation. Rather it is whether they should be consulted on the very important and serious question, in which they have a direct interest, of the method and manner of amending the constitution. The question of admitting Newfoundland into confederation, whether it is desirable and whether the terms are mutually advantageous, was settled, I take it, in the discussion which took place in this house last week. As the hon. member for Rosetown-Biggar himself pointed out, all parties then were in agreement that this was a desirable objective, and that generally speaking the terms were just and fair. But what we are discussing now is whether the procedure by means of which that objective is to be attained is something which can be supported and particularly whether it is something which should be carried out without consultation with the provinces, because the method to which the government is now resorting involves directly the question of an amendment to the constitution, and on a matter which is of direct concern to the provinces.

Last evening the Minister of Justice devoted the major portion of his remarks to the proposition, which he described as obvious, that the procedure followed here does not involve an amendment of the constitution. Incidentally, during his remarks the Minister of Justice said the leader of the opposition should be congratulated because, as he put it, he had made the best of a bad job. That remark was not altogether generous, because after reading over what the minister himself said one cannot fail to be impressed by the fact that not only did he have a very bad job to deal with but that in fact he made a rather poor job of a bad job, which was a great contrast to the speaker to whom he was referring.

I say that for this reason. The Minister of Justice, having stated it was obvious that no amendment of the constitution is involved here, then gave away his case when he pointed out—inadvertently, I presume—that in fact nothing more or less than an amendment of the constitution is the point at issue. At page 523 of *Hansard* for yesterday he is reported as having said:

> No one will dispute, however, that in Newfoundland at the present time there is a legally constituted government with proper legal authority. But it is not a legislative body, and therefore cannot produce the address that is necessary under section 146.

By those words he destroyed the case he was trying to make. If, as he has said, an address is necessary under section 146 of the British North America Act and if, as he has said, the government of Newfoundland has no legislative body and cannot pass an address, it becomes obvious that an amendment to section 146 of the constitution is necessary.

Then referring to the British North America Act, he said, as reported at page 524 of *Hansard*:

> The constitution does not require assent from any province. It is true the constitution requires an address.

Those are the words of the Minister of Justice (Mr. Garson). The Prime Minister has stated there is at the moment no machinery in existence in Newfoundland by which an address could be passed. The Minister of Justice admits that the constitution requires an address. If that be the case, then the government has to do just what it is doing, that is, ask for an amendment to the constitution so as to overcome the requirement

laid down in the constitution. There is no address, therefore the constitution must be amended.

It is true that the Minister of Justice (Mr. Garson) brushes this question aside as being a matter of little importance. He says it is only a procedural difficulty with which we are dealing. It is only a procedural weakness which is being removed. The Prime Minister referred to it as a matter of convenience. Call it what you will, Mr. Speaker, it is still an alteration of the constitution to ratify the doing in one way of something which the constitution calls for doing in another way.

What is the true position of that with which we are dealing? It is an amendment to the constitution. All these remarks which have been brought forth in such number about the lack of necessity for consulting the provinces with respect to the admission of Newfoundland into confederation become quite irrelevant. The amendment does not suggest that. When the suggestion is made in our amendment for consultation with the provinces at this stage, it is not suggested they be consulted on the merits of the question of admitting Newfoundland, but that they be consulted on the question of amending the constitution. This amendment to the constitution is made necessary by the fact, perhaps an unfortunate fact but a fact for which we are not responsible, that the procedure called for by the constitution cannot be complied with.

The Secretary of State for External Affairs (Mr. Pearson) made some remarks on this point this afternoon. It was obvious he had missed the point at issue. He took the position that, in the speech which was made by the leader of the opposition as well as the speech made by the member for Lake Centre (Mr. Diefenbaker), the government was being criticized for not following the procedure of section 146. Of course, that is not the fact. The government is being criticized because it departed from the provisions contained in the constitution without consulting the provinces. The constitution is not only the constitution of this federal parliament; it is the constitution of the provinces and of the provincial legislatures.

It all comes down to a question which has been aired in this house before, and that is whether the constitution, which is the constitution of the provinces as well as of the dominion, can be amended in particulars and in a manner which is of interest to the provinces without the provinces being consulted. Referring this afternoon to this question of consultation with the provinces, the Secretary of State for External Affairs brushed it aside. He said—I think I am quoting him correctly—that it was absolutely unnecessary to consult the provinces. Bearing in mind the fact that what we are consulting the provinces about is an amendment to the constitution, not the merits or otherwise of the admission of Newfoundland, it must be said that the Secretary of State for External Affairs did not reflect the opinion of the great men of his party in the past. It is frequently true, of course, that recent converts are carried away by their zeal, and it may be that the hon. Secretary of State for External Affairs (Mr. Pearson) was so enthused by his recent conversion that he spoke without due reflection.

Certainly, it becomes obvious he has not studied the position taken in the past by the great leaders of his party. I should like to direct his attention to the remarks of Sir Wilfrid Laurier when dealing with this question of consultation with the provinces in the session of 1906-07. The question before the house at that time was a change in the representation in the House of Commons for the maritime provinces. Sir Wilfrid Laurier emphasized the extreme seriousness of any proposal to amend the constitution. After saying that the deviation from the principle laid down in the confederation act which was sought in the resolution then before the house was only a very slight one, he enunciated the following principle, and I am quoting from his remarks as found at page 2195 of *Hansard*, 1906-07:

> But, though the deviation from the principle is limited, yet it involves an amendment to the constitution, and an amendment to the constitution is always a serious matter and one which should not lightly be entered upon.

So that to say that union with Newfoundland is desirable and, therefore, we should not pay any attention to the procedural difficulties or let the constitution stand in the way, is a position which we cannot accept. It is a position diametrically opposed to the position taken by past leaders of the party now in charge of the government.

This afternoon we have heard references to the very broad subject of discussion with the provinces, not concerning the merits of the change the government is seeking to make, but discussion with the provinces on the very question whether or not the constitution could be amended so as to take a procedural short-cut. Sir Wilfrid Laurier had some remarks about that on the same occasion. I should like to direct the attention of the Secretary of State for External Affairs to the further remarks which Sir Wilfrid made on that subject. At page 2199 of *Hansard*, 1906-7, he said:

> Confederation is a compact, made originally by four provinces, but adhered to by all the nine provinces who have entered it, and I submit to the judgment of this house and to the best consideration of its members that this compact should not be lightly altered.

Then he made this very significant remark:

It should be altered only for adequate cause, and after the provinces themselves have had an opportunity to pass judgment on the same.

What Sir Wilfrid was saying there was, not that the provinces should necessarily be consulted as to the merits or otherwise of the proposal then before the house, but that they should be consulted as to the method and as to the necessity of altering the constitution to effect that end.

That is just the issue which is before us now. It is a question which is too greatly charged with serious consequences for the future welfare of this country for us to permit ourselves to deal with it on the basis of expediency, on the basis that it is a mere procedural matter, on the basis of convenience, or whatever word you choose to use. As was well said this afternoon by the hon. member for Stanstead (Mr. Hackett), it is a matter of the constitution under which the development of this country has proceeded in the past; it is a matter of the constitution which guarantees or has guaranteed to us the freedom and liberty, and the opportunity for advancement and self-expression, which have made Canada and the Canadian people the country and people that they are.

Again I say that it is not enough to dismiss this question by saying that the constitution does not provide for consultation with the provinces on questions of admission of new territory into the dominion, because the position is that the constitution itself provides methods by which new territories could be added. So long as the constitutional method is followed, there is of course no necessity of consulting with the provinces. Whether we consider that the British North America Act is a pact, a treaty, a compact, or a contract, the inescapable fact is this: the original parties to confederation had in mind the possibility of the subsequent entry into confederation of new territory. They considered that matter carefully, and agreed to and laid down certain procedures which should be followed when that event should come to pass. That agreement having been entered into and having been given binding form under the British North America Act, if that procedure is followed there is then no need to consult with any of the provinces or any of the other members of confederation —and I would point out that the provinces are members of confederation. But that is not the position here. The position here is that the constitutional procedure, the procedure already agreed to by the parties to confederation, is not being followed. Surely, therefore, it is not only legally correct but it is only morally just that the parties to confederation should be consulted as to the variation of the procedure which they themselves had previously worked out.

I have referred to what is the actual point at issue here, as I see it. Last week we settled the question of the desirability or otherwise of the admission of Newfoundland into confederation. In spite of all the slighting remarks which have been leveled at the members of this side individually and as a party for what is said by our opponents to be a reversal in our stand, the fact is that we have not reversed our stand. We stand firm by our original position that it is a desirable thing that Newfoundland should be admitted into the family of the confederation of Canada. What we raise objection to is that now the very fact of that desirability, which we sincerely and in good faith agreed to, should be urged as a compulsion on us, in an effort to force us to agree to an unconstitutional method of attaining a desirable objective. If there be any insincerity in the approach to this matter, it is on the part of those on government benches when they seek to resort to methods of that kind.

Here again we see asserted the principle that the constitution can be amended in a matter of vital importance to the whole framework of confederation—the question of the admission or exclusion of new territory—without consultation with the parties to confederation, by mere majority vote in this house. We have in the past taken our stand against that proposition. Our stand is one which actually needs no justification beyond its own merits. It is in fact justified and supported by the principles laid down by past great leaders of confederation, including great leaders of the Liberal party.

We again question and again deny the principle contended for by the present Prime Minister when he was Minister of Justice in 1946 and introduced the resolution upon which was based the redistribution of that year. We deny the principle that the federal parliament has the right, by a mere majority vote, to recommend to the British government, and in some cases even to make, any changes it wishes in the constitution of this country, except with respect to sections 91 and 92 of the British North America Act.

If this startling new enunciation of principle be accepted as correct—and that is what we are asked to do now—it means that there are few features of the social, political and economic life of this country which could not be changed as the result of a majority vote of the House of Commons. It is true that there are certain divisions of powers, as laid down in sections 91 and 92 of the British North America Act, which would still

be unalterable. But, for instance, as to all our constitutional processes, language, qualifications for representation in this house, legal and moral customs and a host of other matters, all the safeguards from which we benefit at present could be swept away. Nearly all members of this house have personal knowledge of the heights to which passions can be roused on subjects about which, rightly or wrongly, there is deep feeling. Hon. members will recall with what suddenness, on occasion, reason is supplanted by the rule of emotion and ungoverned prejudice. I am sure, therefore, that on serious reflection hon. members on the other side of the house, as well as those on this side, will find that it is regrettable—indeed, that it would be dangerous—to attempt now to use the occasion of a desirable objective in order to bring compulsion or pressure of any sort to bear upon members on any side or in any part of this house to accept a principle so much at variance with the best principles and traditions of our constitutional history.

It is not enough to say that, by taking the stand which we take here, we are standing in the way of progress, because progress is not measured only in terms of material things. As I see it, progress is measured also in terms of the extent to which men, in seeking to accomplish and in actually accomplishing desirable objectives, nevertheless retain level heads and right motives, and follow right procedures.

In conclusion, I repeat that no one in this house is more sincere or desires more fervently than we in this party to see confederation completed. But we would not be true to ourselves, to the country, or to the province which we now seek to make a member of confederation if we allowed that to come about by methods such as these, so fraught with danger and possible bad consequences to ourselves and to these very people whom we are now trying to include in what we want to see, a happy, prosperous family of confederation.

Mr. Elphege Marier (Jacques Cartier): When the hon. member for Kamloops (Mr. Fulton) rose he said that he would explain the real meaning of the amendment proposed by his leader. He did not explain the amendment but instead spoke about the proceedings taken to make Newfoundland a part of our country. The hon. member said that the government ought to consult the provinces because the constitution of Canada requires it. The leader of the opposition said in his amendment:

> Now therefore be it resolved, that the government of Canada be required to consult at once the governments of the several provinces and that upon a satisfactory conclusion of such consultations "a humble address be presented to His Majesty . . ."

That consultation took place many years ago. In 1864 the four provinces known as Ontario, Quebec, New Brunswick and Nova Scotia met in Quebec city to discuss confederation. I hold in my hand a copy of the Quebec resolutions adopted in 1864, and on page 137 I find the following:

> In the federation of the British North American provinces the system of government best adapted under existing circumstances to protect the diversified interests of the several provinces, and secure efficiency, harmony, and permanence in the working of the union,—would be a general government charged with matters of common interest to the whole country, and local governments for each of the Canadas and for the provinces of Nova Scotia, New Brunswick, Prince Edward Island, charged with the control of local matters in their respective sections, provision being made for the admission into the union on equitable terms of Newfoundland, the Northwest Territory, British Columbia, and Vancouver.

When these provinces met in Quebec in 1864 they agreed that Newfoundland would be admitted into confederation then or at any time on equitable terms. Therefore they were consulted and they agreed, but they went further. On page 138 of the Quebec resolutions we find the following:

> The colony of Newfoundland shall be entitled to enter the proposed union, with a representation in the legislative council of four members.

They provided for the number of members that would be in the legislative council to be formed when Newfoundland became a new province of the confederation.

In paragraph 12 they provided that the members of the Newfoundland legislative council should possess properties either real or personal. On page 139 of the Quebec resolutions we find the following:

> The basis of representation in the House of Commons shall be population, as determined by the official census every ten years . . .

And that Newfoundland should have eight members. Therefore they provided for the number of members which Newfoundland was to have when she joined confederation. On page 142 of the same resolutions we find the following:

> Until the consolidation of the laws of Upper Canada, New Brunswick, Nova Scotia, Newfoundland, and Prince Edward Island, the judges of these provinces appointed by the general government shall be selected from their respective bars.

They went further and on page 146 they said:

> Newfoundland and Prince Edward Island, not having incurred debts equal to those of the other provinces, shall be entitled to receive by half-yearly payments in advance from the general government the interest at 5 per cent on the difference between the actual amount of their respective debts at the

time of the union, and the average amount of indebtedness per head of the population of Canada, Nova Scotia, and New Brunswick.

Therefore the different provinces agreed that Newfoundland would be permitted to join confederation, and the interested provinces were ready to admit Newfoundland.

Paragraph 72 on page 147 of the resolutions states:

The proceedings of the conference shall be authenticated by the signatures of the delegates, and submitted by each delegation to its own government, and the chairman is authorized to submit a copy to the governor general for transmission to the secretary of state for the colonies.

They were not satisfied just to approve the resolutions to admit Newfoundland into confederation at that time. They said that the resolutions so adopted by these four provinces at that time should be authenticated by their own governments and should be signed by the officers authorized to do so. These resolutions were submitted to London and were approved by the British government. In section 10 of the London resolutions you will find the following:

The colony of Newfoundland when admitted into the confederation shall be entitled to a representation in the legislative council of four members.

That was approved by the London conference and the London resolutions were adopted on December 4, 1866. Later on, these resolutions were included in paragraph 146 of the British North America Act, which said that when Newfoundland decided to join confederation it could do so by the procedure provided in section 146. It is true that this section cannot be applied exactly today because Newfoundland has no legislature at the present time. That is a question of procedure and not a question of right. I submit that when the three provinces interested at that time—because at that time Quebec and Ontario formed only one province known as the union of upper and lower Canada—agreed to form the confederation, they decided by the different articles of the resolutions which they sanctioned that Newfoundland could be added to confederation on equitable terms. The provinces were consulted and gave their consent in advance not only to the consultation as provided by the amendment of the leader of the opposition but to the fact that they would admit Newfoundland into confederation at any time. What we are discussing is only the terms and conditions provided for in the admission. As the resolution sets out, that admission must be on equitable terms to be decided on between Newfoundland and the different provinces of the country now known as the Dominion of Canada. When we say that we are amending the constitution, that we are changing the law which governs our country, we are saying something which is not true, because the provinces interested at that time in forming confederation were consulted and gave their consent to admitting Newfoundland at any time. What we are doing is not asking to amend the constitution. In my humble opinion, what we are doing is not really amending the constitution; it is just a change in the procedure determined by section 146 of the British North America Act. We are not being asked to change the British North America Act; we are just giving our assent to a decision which was arrived at in 1864 and confirmed in 1866.

Mr. Hackett: Why does the British government require an amendment to the British North America Act?

Mr. Marier: They do not require an amendment to the constitution. What they ask is that this procedure be followed by the present government. It is not an amendment to the constitution; it is a matter of procedure under section 146.

Mr. Hackett: Why not follow the procedure?

Mr. Marier: There are no houses of parliament in Newfoundland at the present time. This is a matter of procedure.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, there have been some good speeches during this debate and I regret that there have been some that have not been so good. My purpose in rising to speak at this time is not to try to convince anyone as to how they should vote on the motion and the amendments before us; it is simply to make my own position clear as to why I cannot vote for the amendment moved by the leader of the opposition (Mr. Drew) and why I feel I must vote for the motion.

It is not contended by the supporters of the amendment that the terms of union are not satisfactory. I think the hon. member for Kamloops (Mr. Fulton) made that quite clear. It seems to me that the whole question is one of the procedure to be followed in seeking the amendment that will bring Newfoundland into confederation. I believe that the resolution moved yesterday by the Prime Minister (Mr. St. Laurent) follows the procedure which has been followed in the various amendments that have been made to the British North America Act at least since I have been here.

Since I have been a member I can remember three measures that came before this house that required amendments to the British North America Act. First there was the amendment in 1940 to allow the dominion government to enact an unemployment insurance act, and then there were amendments in 1943 and 1946. In 1940, because the provisions of the Unemployment Insurance Act would concern the provinces, the provinces were consulted; but in 1943 and 1946 the

changes were made by resolutions somewhat similar to the one we have before us.

We have been following precedent, but if this house should accept the amendment proposed by the leader of the opposition we shall be creating a precedent which I maintain may prove dangerous. Before I sit down I shall give my reasons for saying that.

As I said, in this instance we are following the precedent which was set in connection with other amendments. I have in my hand the parliamentary debates of the House of Lords, volume 142, for the session 1945-46, which contains the report of the debate on the amendment of 1946 when it came before the House of Lords. I should like to quote the opinion of a gentleman who is well known to my hon. friends of the official opposition. Here is what Viscount Bennett said in regard to the method of making the change, as reported on page 698:

> There has been a good deal of discussion about an amendment of the constitution being a political measure. Canada is the only one of the dominions in which a party majority can amend the constitution.

Viscount Bennett was a man of considerable learning in the law, a man of great ability and a well known Conservative. He makes it quite clear that a resolution by a majority in the houses of parliament in Canada can change the constitution. He continues:

> They cannot amend it directly, but they do it indirectly, because we have agreed—

That is, the British parliament have agreed.

> —that we will consent to pass any legislation that they may petition to have passed by this parliament.

I submit that that is as it should be. I can hear the hullabaloo that would be raised in this house if the present government of Great Britain said that they would not pass legislation that was asked for by the houses of parliament of Canada.

That being the case, in this instance we are following the procedure that has been followed by other governments. Evidently, then, the purpose of the amendment moved by the leader of the opposition is to create a new procedure, that in all matters the provinces must be consulted. We should examine the amendment very carefully, then. I think that was done very well this afternoon by the minister of external affairs. The operative part of the amendment, which is really the part we are concerned with, reads as follows:

> Now therefore be it resolved, that the government of Canada be required to consult at once the governments of the several provinces and that upon a satisfactory conclusion of such consultations "a humble address be presented to His Majesty in the following words":

The difficulty I find in connection with the amendment is that there is no definition of the words "a satisfactory conclusion of such consultations". If the consultations are to be such as will effect what we are going to do, then that in my opinion must mean consent by the provinces. The question that we ask is: How much consent do we need; how much consent will we require; must we have the consent of all the provinces or only of some? The matter of veto was mentioned this afternoon by the Secretary of State for External Affairs, and although I had referred to it when making my notes this morning I shall not refer to it now. But it is indeed important. Let me show how a precedent will be created if the amendment carries. I think it was the member for Macleod (Mr. Hansell) who, when supporting the amendment last night, made it mean so little that he did justice neither to himself nor to the amendment. I should like to quote a part of what he said, to be found on page 533 of *Hansard*, reading as follows:

> I call your attention, Mr. Speaker, to the wording of this amendment. The wording of this amendment does not ask that the provinces agree. It does not mention anything about a right or a wrong constitutional interpretation. As I read this amendment, it simply says to the government that we, as a parliament, are asking them to consult the provinces. After they have received the views of the provinces, then we will move an address to His Majesty.

Surely that is an over-simplification of consultation. How does he know that we will move an address after consultation? Suppose all the provinces say, "No, we do not agree." Are we then going to proceed with this address? If we are going to proceed with the address whether the provinces say yes or no, why consult the provinces at all? It is not as simple as the member for Macleod makes it out to be. Either consulting the provinces means something or it does not mean anything. If it means something it may affect what we will do here. If it does not mean anything, if we are going to do the same thing after we have consulted the provinces, regardless of what they say, as we would have done in the first place, then we are merely spoofing the provinces.

Mr. Garson: Look at all the fun we would have consulting them.

Mr. MacInnis: Yes; but I am not so sure that it would all be fun because most fun has an aftermath.

An hon. Member: Are you speaking from experience?

Mr. MacInnis: You would be surprised. In this instance, I do not know exactly what we would be consulting the provinces about in the first place, but suppose in any event they were unanimous. In my opinion that would create a precedent, and the next time that we

consulted the provinces we would be told we could not proceed unless they were unanimous. The veto would indeed be applied. My chief reason for opposing the amendment is that it creates a precedent, and we do not know where it may lead us.

An hon. Member: It would lead to chaos.

Mr. MacInnis: As someone behind me says, it would lead to chaos, because it would mean there could never be amendment of our constitution, of the British North America Act, unless all the provinces were unanimous. Is there any member of the official opposition who wants that state of affairs? Is there anyone on the other side of the house who wants that state of affairs? As a matter of fact, if we are going to carry on in that way, then parliament will lose all its significance as a national legislative body. Then again a great deal was said, particularly by my Social Credit friends, about the dangers of centralization, and the dangers of stateism, whatever that is. I imagine stateism means having things done by the state. If that is a correct definition of stateism, I do not believe there are many people in Canada who are opposed to it, because almost every group in Canada is asking the state to do something. They are not all asking the state to do the same thing, but every one of them is asking the state to do something for them.

Let us see how much is in all these warnings about the dangers of centralization. If we followed the argument of my Social Credit friends to its logical conclusion we would not have a confederation at all, because confederation in itself is centralization. We have been told again and again in this house that the fathers of confederation, and particularly the greatest of the fathers, Sir John A. Macdonald, wanted a strong central government. Do we want a strong central government, or do we want a government which, whenever it wants to do anything of a national character, must consult every province? Do we want a government that cannot act until every province says, "yes, go ahead"? Surely that makes nonsense of our pretensions of nationhood. It makes nonsense of almost everything that has been said by the official opposition and the Social Credit party during the past two days. There is always a danger that power will be abused, but the way to assure that it will not is not to create a situation where no one will have any power to do anything. The way to provide against that is to have an educated public opinion which will understand what is required and know when governments are going too far. Then the sovereign people on the one day that they are sovereign, election day, will take such action as will bring about the results they desire.

I have been interested in the political affairs of Canada for some considerable time. I have watched legislation in the provinces, and I have watched legislation in the dominion parliament. I am bound to say that, as far as I can see, on the basis of the legislation that has been enacted by our provinces and the legislation that has been enacted by this parliament, the freedom of the Canadian people is just as safe in the hands of the parliament of Canada as it is in the hands of any of the provincial legislatures. Why be afraid then that a government has the power to do the things that the sovereign people of Canada want it to do?

I do not know that there is any reason why I should say any more. I think I have made it clear that in the first place the resolution before us follows a precedent that has long been established by this parliament; and that, in the second place, the amendment if it were adopted, would create a new precedent and one which, in my opinion, is dangerous because we do not know where it would lead. Where it would lead would perhaps depend upon the whim of the government of one province. Let us have faith in this Canada of ours, and faith that the men and women we elect to the parliament of Canada will do the things that are in the best interests of all the people of Canada.

Some hon. Members: Question.

Mr. Clarence Gillis (Cape Breton South): There is plenty of time. We have been trying to solve this problem since 1867. We should not try to finish it tonight. I am going to take about ten minutes because in the past couple of weeks, on this question of international law, the British North America Act and the rights of the provinces I as a layman have had a first-class demonstration that very few people in this house know very much about it, and that the whole matter can be twisted to suit the viewpoint of a particular person for political reasons.

The hon. member for Vancouver East (Mr. MacInnis) said he wanted to make his position clear, and I am rising at this time to make my position clear. When the hon. member for Rosetown-Biggar (Mr. Coldwell) spoke he indicated that as far as we were concerned this group would support the original motion, and I stand by that. But during the debate on the speech from the throne I said I was disappointed that the government had permitted the leader of the opposition (Mr. Drew) to set the tone of that debate, completely ignoring anything that was in the speech from the throne and saying very little about what was not in it. He decided that the issue in this house as far as he was concerned was going to be dominion-provin-

cial rights. Well, my assumption is that he has in mind the next election. One place in Canada where his party is very weak is the province of Quebec, where they are very strong for provincial rights. Another place they are very weak is the province of Nova Scotia, where they have no members in the legislature and very little leadership. But the premier of Nova Scotia is also very strong for provincial rights, as he indicated at the last dominion-provincial conference. So I may be excused for my assumption that the leader of the opposition has those two provinces in mind.

In addition, when we began to discuss the Newfoundland agreement the same theme was interjected into that discussion. Again it was dominion-provincial rights; and unfortunately the government, instead of trying to bring the house back to the real bread and butter issues of this country, fell into the trap and went along with the discussion of provincial rights. As a result we have had a straight academic discussion in this house that very few people outside the house can understand. I know letters I have received have been to this effect: "Why are you fellows wasting time up there? Prices are away up. Unemployment is increasing. There are many internal issues to which you should be devoting your time."

In my opinion we settled the question of Newfoundland. After a long debate we decided that the agreement was fair and reasonable, and this house voted unanimously that Newfoundland should come into confederation. All right. Then there was the question of giving effect to the decision we had made in connection with the agreement. That meant we had to change the statutes of Canada in order to back up the decision already made unanimously, or with one exception; one hon. member down here said no. That should have been a simple process, taking very little of the time of this house, if we meant what we said when we voted to bring Newfoundland into confederation. Instead of that, however, the very capable leader of the opposition set out to raise an issue for the next federal election that would not mean anything to the people of this country. "Keep away from our economic problems. Keep away from the problems that affect the average, everyday person in this country in connection with the things that go on his table. Let us make the issue at the next election the question of dominion-provincial relations, which does not mean anything to the people of this country, but which gives us a good opportunity to set up an issue with which we might be able to confuse them."

That is my conception of the thing as I have watched it develop. The leader of the opposition moves an amendment to the original motion, in which he says the provinces should be consulted. Well, what happens after they are consulted? As the hon. member for Vancouver East pointed out, one province has the veto, and you are finished. What happens to the decision we made to bring Newfoundland within confederation? That is out also. The people of Newfoundland have said they want to come in, and the Canadian people want to bring them in. We know that, if we bring Newfoundland into confederation and make available to them the social services that we have in this country, we will be relieving human misery; and as far as I am concerned the legality of any action is determined by the justice of the cause. I am willing to take any step, after consulting the members of this House of Commons, to relieve human misery because I think that is a justifiable action.

The amendment proposed by the leader of the opposition does not mean anything. It merely created the opportunity for a debate. It provided a chance to get the headlines. The leader of the opposition is fighting, but he is not firing many shots. He is careful to propose an amendment that does not mean anything after the provinces are consulted. The hon. member for Quebec-Montmorency (Mr. LaCroix), seconded by the hon. member for Temiscouata (Mr. Pouliot), moved a sub-amendment that means something. That sub-amendment says the provinces not only should be consulted but that they should give their consent. I shall be watching with great attention to see how my hon. friends vote on that point.

As far as I am concerned the Minister of National Defence (Mr. Claxton), when he took part in this debate a few days ago, stated the question very clearly and fairly. The other four or five provinces he mentioned were brought in after a discussion in this House of Commons. No plebiscite was taken; the matter was determined here. We had the same British North America Act at that time. Newfoundland has been consulted; two plebiscites were taken, after all the issues and terms were made available to the people of Newfoundland. And they decided to come in. As I said when I spoke briefly on this matter a few days ago, I was amazed at the representative vote that was obtained. Those people had not cast a ballot since 1934. The great majority of them cast a ballot for the first time in those plebiscites. They were isolated, in outports, with no radio available and the propaganda coming practically from one side only. But when the people of New-

foundland sifted out the issues and used their franchise for the first time they demonstrated that they are an intelligent people who, with a half-decent break, can become a great asset to this country.

I am telling my hon. friend over here that I am going to vote against his subamendment. I am going to vote against the amendment of the leader of the opposition, because I want to get something done and not merely talk about it. We have said already we are bringing Newfoundland into confederation; we voted for it unanimously. I do not think any stop blocks should be put in the way of the legal steps necessary to back up our previous decision and amend our statutes so we can make available to the people of Newfoundland the things we have to give them.

That is my position in the matter. I am awfully sorry that in this day and age, living in the world as it is now, where there is trouble and misery, and where so often we find ourselves on shifting sands, this House of Commons has not given the people of Canada a demonstration that we are honest and truthful, and that regardless of where we sit in this house we are going to do the thing that is best for the Canadian people. I think the action taken by the government at this time is not only good for the Canadian people; it is also good for the people of Newfoundland because it will relieve human misery, and it should not be made a political football for election purposes by any section of this house.

Mr. Solon E. Low (Peace River): I desire only two or three minutes, Mr. Speaker, in which to make a statement on the subamendment of my hon. friend, the member for Quebec-Montmorency (Mr. LaCroix). I do not desire to go into any lengthy refutation of the speeches that have just been made by my hon. friends of the C.C.F. In that regard, I will confine my remarks to the argument of my hon. friend the member for Cape Breton South (Mr. Gillis), who has just spoken. Without question, it is another clear demonstration of the arguments one sees when someone tries to make the end justify the means; that is the old socialist, communist argument. It does not hold good within the boundaries of a free parliament. He may just as well carry it to its logical conclusion, as my hon. friend the member for Vancouver East (Mr. MacInnis) says. On the basis of his argument we should also bring into confederation India and China because the people of those countries are certainly suffering great hardships.

Mr. Archibald: They might be better citizens than you.

Mr. Low: Some more of my communist friends.

Mr. Archibald: If you are calling me a communist, you are stating what is not true.

Mr. Irvine: Amen.

Mr. Low: Mr. Speaker, it would be beneath my dignity to pay attention to my friend because those are exactly the tactics the communists use.

Mr. Coldwell: Mr. Speaker, I rise on a question of privilege. The group with which I am associated has no connection with communism. It has fought communism all through the years, and though I deprecate calling my hon. friend what he was called just now, I can understand why it was done. I feel this kind of thing should not be permitted.

Mr. Low: Well, Mr. Speaker—

Mr. Cruickshank: Let us have the vote.

Mr. Low: Yes, we will get to the vote. I do not intend to carry this particular question any further.

I should like to say the Social Credit party has given most earnest and careful consideration to the submissions of all the learned gentlemen who have spoken in this debate. We have weighed the arguments to the best of our ability and according to our lights. We have concluded that the procedure adopted by the government in this final step does, beyond any reasonable doubt, constitute an amendment to the British North America Act. This, therefore, introduces a new and tremendously important element into what, until yesterday, was nothing more than a clearly desirable objective, namely, the bringing of Newfoundland into confederation. In our view, that objective is still a desirable objective. We think it should be consummated at the earliest possible time. But, in the process of completing confederation, we do not propose to lend our hand to an amendment to the British North America Act by a simple majority vote of this house. We believe the constitution is much too sacred to be constantly subjected to the possibility of repeated changes by such means, particularly in this day when individual and minority rights and freedoms—yes, and human life itself—are valued so cheaply and are even held in utter contempt in many places in the world.

I said last night that it is our conviction that a satisfactory procedure for constitutional amendment should be formulated at the earliest possible time. It is a matter of urgency in my opinion because, as I view what has been taking place over the past few years, particularly since the beginning of the war, I find that the government has been laying down, piece by piece, a pattern of precedents which the government evidently

hopes will govern the procedure for all future attempts to change the constitution.

In our opinion, this is no safeguard to the rights and freedoms of the people. We believe that an immediate effort must be made to establish adequate safeguards. It is precisely because powerful and evil forces are at work attempting to break down our bastions and render us powerless to protect our liberties that we sound anew the warning uttered so many years ago by the apostle Paul to the Galatians when he said,

Stand fast, therefore, in the liberty wherewith Christ hath made us free,—

Mr. Irvine: Hallelujah!

Mr. Low:

—and be not entangled again with the yoke of bondage.

We propose to heed that warning. It is for that reason we must call a halt to the tampering with the British North America Act in the manner that has been followed so often in the past. For these reasons, we will vote for the subamendment. If that does not carry, we will vote for the amendment. Should that be defeated, we will vote against the resolution solely on the ground that it does involve an amendment to the British North America Act.

Mr. Jean-François Pouliot (Témiscouata): I spoke for five minutes yesterday, Mr. Speaker, and I shall speak for two or three minutes today. In the first place, it is my intention to thank the member for Cape Breton South (Mr. Gillis) for having said that the subamendment of my hon. friend the member for Quebec-Montmorency (Mr. LaCroix) is something, and the amendment of the leader of the opposition is nothing. I hope I have correctly quoted the hon. member.

Mr. Gillis: That is correct.

Mr. Pouliot: I found the speech of the leader of the opposition yesterday rather nebulous and it was for that reason I expressed no opinion as to how I would vote. Naturally, I will vote for something, and I will vote for the subamendment of the hon. member for Quebec-Montmorency. I will not vote for the amendment of the leader of the opposition unless he agrees to amend his own amendment by incorporating in it the subamendment of the hon. member for Quebec-Montmorency.

The leader of the opposition has often been accused of being inconsistent. I do not know if that is true, but I shall give him the benefit of the doubt. If he wishes to be consistent with his last speeches, however, and if the Conservative members who have spoken about provincial rights want to be considered consistent with the speeches they have made, they have only to make a gesture which will establish their sincerity. To establish their sincerity, they have only to vote for the subamendment proposed by my hon. friend the member for Quebec-Montmorency. I am very happy to congratulate him on that subamendment.

I want to warn the leader of the opposition. From the very beginning, I have been a consistent defender of provincial rights in the house. He can read the speeches I have made against the succession duties act; what I have said about the Rowell-Sirois commission, and my denunciation of the bureaucrats who made that report. My votes have been consistent. I can compare myself favourably with anyone in the party of the hon. leader of the opposition. I will go further. I will tell the hon. leader of the opposition the real meaning of the subamendment. It is a desire to give the veto to the provinces in connection with this Newfoundland business, in the same way as San Francisco has given the veto to the major powers. If the veto is good enough for the Russians, it is good enough for the provinces. There is no reason why the provinces should not have it.

I therefore warn the leader of the opposition that when he votes for the subamendment of my hon. friend, which I was glad to support, he will vote to give a veto to the provinces. Thereby he will tell the country that his sincerity was real, that his sincerity was greater than it appeared in the first place from his amendment, and that he wants to show that he is the real defender of the rights of the provinces and, to refer to St. Paul, that he has found in this house his road to Damascus. That does not mean that the leader of the opposition is my favourite apostle, but I treat him with the same consideration as I treat any one of my colleagues; and I offer him an olive branch. That gesture shows the kindly spirit animating the hon. member for Quebec-Montmorency (Mr. LaCroix) and me. We do not desire any tribute for that act of generosity. Our idea is to save the face of the leader of the opposition so that he will not be ashamed of himself when he returns to Carleton county and when he shaves tomorrow morning.

It is therefore my great pleasure to support wholeheartedly the subamendment moved by my hon. friend. With regard to the leader of the opposition and his satellites I will use the great words of a great Englishman, "We will wait and see."

Similia similibus curantur—the same evils are cured by the same remedies. It was perhaps wrong to give the veto to the major powers at San Francisco. To apply that Latin proverb, *similia similibus curantur,* the only

thing to do in order to repair the evil that was done at San Francisco is to give the veto to the provinces.

I wish to pay a tribute to the hon. member for Bellechasse (Mr. Picard), who was a precursor. He was the first one to mention the union of Newfoundland with Canada. He did so years ago. He deserves a special tribute. I also want to pay a special tribute to Senator Neil McLean, who has been most interested in this matter.

That being said, let me say it is not Newfoundland that I desire in the first place to join Canada. As my hon. friends will remember, years ago I suggested in this house that as we have no tropical regions in this country, if the British empire were to be split into fragments, the fragments that should come to us were Bermuda, Nassau, Jamaica and Trinidad. Now that there is no longer any British empire—we have been told that we are in a commonwealth instead of an empire, and that O.B.E.'s and M.B.E.'s have no more meaning—I wish to belong to the empire of Canada which will, with glory, succeed the British empire. The leader of the opposition is in such a mood of Canadianism that he will be glad to see the British empire replaced by the empire of Canada.

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

Some hon. Members: Question.

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

YEAS

Messrs:

Blackmore	LaCroix
Dorion	Low
Fair	Marshall
Hamel	Pouliot
Hansell	Quelch
Kuhl	Wylie—12.

NAYS

Messrs:

Abbott	Boivin
Adamson	Bonnier
Archibald	Boucher
Argue	Bourget
Aylesworth	Bracken
Baker	Bradette
Barrett	Bradshaw
Beaudoin	Breithaupt
Beaudry	Brooks
Belzile	Brown
Benidickson	Brunelle
Bentley	Bryce
Bertrand (Laurier)	Burton
Bertrand (Prescott)	Campbell
Black (Chateauguay-Huntingdon)	Cardiff
Black (Cumberland)	Case
Black (Yukon)	Casselman
Blair	Castleden
Blanchette	Charlton
	Chevrier

Newfoundland

Church	Lesage
Claxton	Little
Cloutier	Lockhart
Cockeram	McCann
Coldwell	McCuaig
Coté (Matapedia-Matane)	McCulloch (Pictou)
Coté (St. Johns-Iberville-Napierville)	McCullough (Assiniboia)
Coté (Verdun)	Macdonald (Brantford City)
Cournoyer	McDonald (Parry Sound)
Coyle	McGarry
Croll	McIlraith
Cruickshank	MacInnis
Daniel	McIvor
Dechene	McKay
Demers	MacKinnon
Denis	MacLean
Dickey	McLure
Diefenbaker	MacNaught
Dion (Lake St. John-Roberval)	MacNicol
Dionne (Beauce)	Maloney
Douglas	Manross
Drew	Marier
Drope	Marquis
Emmerson	Martin
Eudes	Matthews (Brandon)
Fleming	Matthews (Kootenay East)
Fontaine	Maybank
Fournier (Hull)	Mayhew
Fraser	Menary
Fulton	Miller
Gardiner	Moore
Garson	Mullins
Gauthier (Nipissing)	Murphy
Gauthier (Portneuf)	Mutch
Gibson (Comox-Alberni)	Nicholson
Gibson (Hamilton West)	Nixon
Gillis	Nowlan
Gingues	Parent
Gladstone	Pearkes
Golding	Pearson
Gour (Russell)	Picard
Grant	Pinard
Graydon	Probe
Green	Raymond (Wright)
Gregg	Reid
Hackett	Richard (Gloucester)
Hallé	Richard (Ottawa East)
Harkness	Robinson (Bruce)
Harris (Danforth)	Robinson (Simcoe East)
Harris (Grey-Bruce)	Ross (St. Paul's)
Hartt	Ross (Souris)
Hatfield	Rowe
Hazen	St. Laurent
Healy	Sinnott
Henderson	Skey
Herridge	Smith (York North)
Hodgson	Stephenson
Howe	Stewart (Winnipeg North)
Irvine	Stuart (Charlotte)
Isnor	Stokes
Jackman	Strum, Mrs.
Jaenicke	Thatcher
Jean	Timmins
Jones	Townley-Smith
Jutras	Tremblay
Kidd	Tustin
King, Mackenzie	Viau
Kirk	Warren
Knight	Webb
Knowles	Weir
Lafontaine	White (Hastings-Peterborough)
Langlois	Whitman
Lapointe	Williams
Laurendeau	Wright
Leger	Young
Lennard	Zaplitny—191.

Newfoundland

Mr. Shaw: I was paired with the hon. member for Maisonneuve-Rosemont (Mr. Fournier). Had I voted, I would have voted for the amendment to the amendment.

(Translation):

Mr. Raymond (Beauharnois-Laprairie): Mr. Speaker, I was paired with the hon. member for Outremont (Mr. Rinfret). Had I voted, I would have voted for the subamendment.

Mr. Gagnon: Mr. Speaker, I was paired with the hon. member for Terrebonne (Mr. Bertrand). This is the reason why I did not vote.

(Text):

Mr. Stanfield: I was paired with the Minister of Reconstruction and Supply (Mr. Winters). Had I voted, I would have voted against the amendment to the amendment.

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

YEAS

Messrs:

Adamson
Aylesworth
Barrett
Black (Cumberland)
Black (Yukon)
Blackmore
Blair
Bracken
Bradshaw
Brooks
Cardiff
Case
Casselman
Charlton
Church
Cockeram
Coyle
Daniel
Diefenbaker
Dorion
Drew
Drope
Fair
Fleming
Fraser
Fulton
Graydon
Green
Hackett
Hamel
Hansell
Harkness
Harris (Danforth)
Hatfield
Hazen
Henderson
Hodgson
Jackman
Kidd
Kuhl
Lennard
Lockhart
Low
Macdonnell (Muskoka-Ontario)
McLure
MacNicol
Manross
Marshall
Menary
Miller
Murphy
Nowlan
Pearkes
Quelch
Robinson (Bruce)
Ross (St. Paul's)
Ross (Souris)
Rowe
Skey
Stephenson
Stokes
Timmins
Tustin
Webb
White (Hastings-Peterborough)
Wylie—66.

NAYS

Messrs:

Abbott
Archibald
Argue
Baker
Beaudoin
Beaudry
Belzile
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blanchette
Boivin
Bonnier
Boucher
Bourget
Bradette
Breithaupt
Brown
Brunelle
Bryce
Burton
Campbell
Castleden
Chevrier
Claxton
Cloutier
Coldwell
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Croll
Cruickshank
Dechene
Demers
Denis
Dickey
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Emmerson
Eudes
Fontaine
Fournier (Hull)
Gardiner
Garson
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gillis
Gingues
Gladstone
Golding
Gour (Russell)
Grant
Gregg
Hallé
Harris (Grey-Bruce)
Hartt
Healy
Herridge
Howe
Irvine
Isnor
Jaenicke
Jean
Jones
Jutras
King, Mackenzie
Kirk
Knight
Knowles
Lafontaine
Langlois
Lapointe
Laurendeau
Leger
Lesage
Little
McCann
McCuaig
McCulloch (Pictou)
McCullough (Assiniboia)
Macdonald (Brantford City)
McDonald (Parry Sound)
McGarry
McIlraith
MacInnis
McIvor
McKay
MacKinnon
MacLean
MacNaught
Maloney
Marier
Marquis
Martin
Matthews (Brandon)
Matthews (Kootenay East)
Maybank
Mayhew
Moore
Mullins
Mutch
Nicholson
Nixon
Parent
Pearson
Picard
Pinard
Pouliot
Probe
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Robinson (Simcoe East)
St. Laurent
Sinnott
Smith (York North)
Stewart (Winnipeg North)
Stuart (Charlotte)
Strum, Mrs.
Thatcher
Townley-Smith
Tremblay
Viau
Warren
Weir
Whitman
Williams
Wright
Young
Zaplitny—137.

(Translation):

Mr. Raymond (Beauharnois-Laprairie): Mr. Speaker, I was paired with the hon. member for Outremont (Mr. Rinfret). Had I voted, I would have voted for the amendment.

(Text):

Mr. Shaw: I was paired with the hon. member for Maisonneuve-Rosemont (Mr. Fournier). Had I voted I would have voted for the amendment.

Mr. Gagnon: I was paired with the hon. member for Terrebonne (Mr. Bertrand). Had I voted I would have voted for the amendment.

Mr. Stanfield: I was paired with the Minister of Reconstruction and Supply (Mr. Winters). Had I voted I would have voted for the amendment.

Mr. Howe: I move the adjournment of the debate.

Some hon. Members: Question.

Mr. Speaker: The question is on the main motion.

Mr. Coldwell: No, Mr. Speaker; the adjournment of the debate.

Some hon. Members: Question.

Right Hon. W. L. Mackenzie King (Glengarry): Mr. Speaker, I should not like this debate to conclude without an opportunity of saying a few words on the all-important question of the entry of Newfoundland into confederation. I doubt if hon. members would wish to wait longer this evening. Some have already asked that there be an adjournment, and therefore I move that the debate be adjourned.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. St. Laurent moved the adjournment of the house.

He said: Tomorrow I hope we will have unanimous consent to answer the questions on the order paper and to proceed with the notices of motion for the production of papers. Afterward we will continue with this debate and, when it is concluded, take up Bill No. 12 to amend the statutes to adapt them for application to Newfoundland.

Mr. Graydon: And after that?

Mr. St. Laurent: Well, tomorrow is Wednesday; I do not think there will be anything after that.

Motion agreed to and the house adjourned at 11.33 p.m.

HOUSE OF COMMONS

Wednesday, February 16, 1949

The house met at three o'clock.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—DEDUCTION OF UNION DUES

Mr. Arthur Williams (Ontario) moved for leave to introduce Bill No. 19, to amend the Industrial Relations and Disputes Investigation Act (deduction of union dues).

Some hon. Members: Explain.

Mr. Williams: The purpose of this bill is to amend the federal labour code, which was adopted last year, by adding a new subsection 3 to section 6 of the act. The effect of the new subsection is to provide for the revocable voluntary check-off of union dues.

Motion agreed to and bill read the first time.

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—ENFORCEMENT REGULATIONS

Mr. Clarence Gillis (Cape Breton South) moved for leave to introduce Bill No. 20, to amend the Industrial Relations and Disputes Investigation Act (enforcement).

Motion agreed to and bill read the first time.

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—DEFINITION OF EMPLOYEE

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 21, to amend the Industrial Relations and Disputes Investigation Act (definition of employee).

Some hon. Members: Explain.

Mr. Knowles: This bill deletes a portion of subparagraph (i) of subsection 1 of section 2 of the federal labour code in which employees are defined. Its purpose is to remove a discrimination against certain groups of employees. In other words the bill would afford to certain categories of employees, now excluded from the provisions of the act, the right of collective bargaining.

Motion agreed to and bill read the first time.

PENSION FUND SOCIETIES ACT

EXTENSION OF PROVISIONS TO OFFICERS AND EMPLOYEES OF SUBSIDIARY CORPORATIONS

Hon. Douglas Abbott (Minister of Finance) moved the first reading of Bill No. 18 (from the Senate) to amend the Pension Fund Societies Act.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

VAL D'OR, PONTIAC COUNTY, POST OFFICE

Mr. Caouette:

1. Have tenders been called for the construction of a post office at Val d'Or, in the county of Pontiac?
2. If so, on what date?
3. Up to what date could tenders be submitted?
4. What are the names of those who tendered and the amount of the respective tenders?
5. To whom was the contract awarded and on what conditions?

Mr. Fournier (Hull):

1. Yes.
2. December 13, 1948.
3. January 12, 1949.
4. (a) Alphonse Gratton Inc., 3440 Shuter St., Montreal, P.Q., $243,283; (b) J. A. Tremblay, Bourlamaque, P.Q., $246,000; (c) Paul L'Ecuyer, Val d'Or, P.Q., $246,000; (d) Hill-Clark-Francis Limited, Noranda, P.Q., $249,550; (e) Frs. Marquis & Fils Limitée, Quebec, P.Q., $258,000; (f) Sauriol Construction Company, Gatineau, P.Q., $309,000.
5. Recommendation has been submitted to council on the 15th instant for authority to award the contract to the lowest tenderer.

CANADIAN SHIPMENTS OF AIRCRAFT TO CHINESE AIR FORCE

Mr. Gagnon:

1. Have any airplanes been shipped from Canada to Colonel W. M. Wang, A.T.S.C., Chinese Air Force, 10 Hainan road, Shanghai, China?
2. Were such airplanes supplied by Canada free of charge? If so, how many?
3. Were these airplanes sold by War Assets Corporation? If so, how many and at what price?

Mr. McIlraith:

1. There were no airplanes shipped by any government organizations to the addressee mentioned in this question. The Canadian Commercial Corporation, acting on behalf of

the Chinese air force, did purchase from War Assets Corporation all Mosquito aircraft, and all spare parts, spare major assemblies, spare engines, tires and ground maintenance equipment, which are peculiar to Mosquito aircraft, and all armament and related spare parts as commonly used for arming Mosquito aircraft, which were reported to War Assets Corporation, as surplus, by the Department of National Defence.

2. No.

3. Answered by Nos. 1 and 2.

EXPERIMENTAL FARM, YUKON TERRITORY

Mr. Black (Yukon):

1. What has the establishment and operation by the government of an experimental farm about 100 miles from Whitehorse in Yukon Territory cost, showing items of expenditure including salaries and wages?

2. What financial returns have there been from said farm?

3. What new agricultural information has been obtained from the operation of said farm, information not in possession of the Department of Agriculture prior to the establishment of said farm?

4. What is the object of its operation?

Mr. McCubbin:

1.

Salaries	$ 11,379.19
Wages	45,583.62
Miscellaneous	19,296.66
Total	$ 76,259.47

2. Revenue received, $796.03.

3. Previous to the establishment of the Whitehorse experimental substation, soil surveys had revealed the existence of several areas of land in the southern Yukon which appeared suitable for agricultural production, but no information was available on actual crop production. The operation of this substation has definitely proved that fair quality wheat, as well as excellent quality barley and oats, can be produced in this district, despite the more rigorous climatic conditions as compared with the Dawson area, in which investigations had been previously conducted. It has also been proved possible to produce reasonably good yields of the hardy vegetables and also of forage crops for hay and grazing purposes.

4.

(a) To obtain information on the production of crops and livestock, particularly in southwestern Yukon in the region served by the Alaska highway.

(b) To obtain by conducting co-operative tests in other areas, such as Dawson and Mayo, agricultural information applicable to those districts.

(c) To test under northern conditions varieties and practices which may be of value in other parts of northern Canada.

(d) To serve as a headquarters for the dissemination of pertinent agricultural information to interested residents in the Yukon.

SUPERANNUATED CIVIL SERVANTS—VETERANS AND DEPENDENTS

Mr. Knowles:

1. How many retired civil servants are receiving pensions of amounts within each of the following brackets: (a) less than $20 per month; (b) $20 to $29.99 per month; (c) $30 to $39.99 per month; (d) $40 to $49.99 per month; (e) $50 to $59.99 per month; (f) $60 to $69.99 per month; (g) $70 to $79.99 per month; (h) $80 to $89.99 per month; (i) $90 to $99.99 per month; (j) $100 per month or over?

2. How many widows of retired civil servants are receiving pensions of amounts within each of the brackets indicated in the above question?

3. How many veterans of world war I are included in the figures given in each bracket in question 1?

4. What is the number of retired federal civil servants and also the number of widows of retired federal civil servants presently residing in each province?

Mr. Belzile:

1. (a) 257; (b) 495; (c) 672; (d) 810; (e) 768; (f) 788; (g) 740; (h) 818; (i) 683; (j) 2624.

2. (a) 774; (b) 848; (c) 697; (d) 564; (e) 436; (f) 217; (g) 159; (h) 101; (i) 73; (j) 146.

3. No information.

4.

	Retired Federal Civil Servants	Widows of Retired Federal Civil Servants
Nova Scotia	356	168
New Brunswick	206	123
Prince Edward Island	53	29
Quebec	1628	830
Ontario	3831	1928
Saskatchewan	163	77
Manitoba	326	162
Alberta	342	116
British Columbia	1485	420
Elsewhere	265	162

HOUSING—NIAGARA PENINSULA—ADVANCES TO PRIVATE CONTRACTORS

Mr. Lockhart:

1. Has the Central Mortgage and Housing Corporation advanced money on second mortgage security to private contractors engaged in the construction of homes in the Niagara peninsula?

2. If so, what is the maximum mortgage authorized on each home constructed?

3. What rate of interest is charged?

4. What are the names of private contractors in the Niagara peninsula who have been assisted financially by Central Mortgage and Housing Corporation?

5. Are homes so financed built according to National Housing Act specifications?

6. When offered for sale, are these homes advertised as being built under National Housing Act specifications?

7. Is a careful inspection made before the mortgage moneys are advanced by the Central Mortgage and Housing Corporation?

8. Have there been any instances where mortgage moneys have been withheld because of faulty workmanship?

9. If so, from what contractor or contractors has payment been withheld?

Mr. McIlraith: Stand.

Mr. Lockhart: I understand that this information is available. We are sorry that the minister has been called out of the city, but could I not have this question answered before next week?

Mr. Speaker: Question stands.

HEALTH AND WELFARE—EXPENDITURES UNDER HEALTH SCHEME, BY PROVINCES

Mr. Stewart (Winnipeg North):

How much has been expended in each province to date under the federal government's health scheme?

Mr. Reid: No figures available before end of fiscal year, when provinces will submit statements of expenditures made for reimbursement.

METAL CURRENCY—ACQUISITION BY BANK OF CANADA OF GOLD PRODUCTION

Mr. Low:

1. What was the total face value of all coins minted at the Canadian mint, during 1948, for use in Canada?

2. What was the total value of recoined metal currency produced by the Canadian mint during 1948?

3. What government department, board, or agency placed the orders with the Royal Canadian Mint for the coins minted during 1948?

4. To whom, and for whose credit, were the coins minted for use during 1948, delivered?

5. By what detailed procedure does the Bank of Canada acquire the gold production of Canada?

Mr. Belzile:

1. Silver, $2,829,956; bronze, $708,300; nickel, $615,500.

2. Silver, $47,191.10; bronze, $42,428.21.

3 and 4. Subsidiary coins are produced in response to public demand. As the public desire more coins of various denominations, they obtain them at various branches of the chartered banks throughout Canada either by cashing cheques or by exchanging Bank of Canada notes for coins. The banks, as a result of this public demand, apply to the Bank of Canada for the coins which they require or which they estimate they will require. The Bank of Canada then orders appropriate amounts of the varying denominations of coins to fill the orders that have been given by the chartered banks and to maintain a small reserve to meet urgent demands. The coins are delivered to the agents of the Bank of Canada at Calgary, Halifax, Montreal, Ottawa, Regina, Saint John, Toronto, Vancouver and Winnipeg. From these agencies of the Bank of Canada they are delivered to the main offices of the chartered banks at agency points and then distributed by such main offices to other branch offices in the area as required.

5. The bank does not acquire the gold production of Canada—it does not now buy any gold for its own account but acts as a depository for gold held on account of the government and performs certain services in connection with gold transactions.

Nearly all gold newly mined in Canada is sold by the mines to the crown at the Royal Canadian Mint. The mint refines the gold and pays for it out of the consolidated revenue fund. The refined gold (except for a small amount sold for ordinary industrial or commercial purposes in Canada) is then transferred to the exchange fund account, which is a special statutory account maintained by the Minister of Finance under the provisions of the Foreign Exchange Control Act. The gold is transported from the mint to the vaults of the Bank of Canada where it is held in safekeeping for the exchange fund account. The exchange fund account reimburses the consolidated revenue fund for the value of the gold. Gold in the exchange fund account is part of Canada's exchange reserves. It may be sold by the account on instructions of the Minister of Finance, in which case the foreign exchange received in payment replaces it as part of the exchange fund account.

A small part of Canada's gold production which cannot be economically treated in Canada is exported to the United States under licence issued by the Minister of Finance. It is refined in the United States and sold there. The United States dollar proceeds must, in accordance with the foreign exchange control board regulations, be sold to the board and thus become part of the exchange fund account.

IMMIGRATION—DISPLACED PERSONS

Mr. Stewart (Winnipeg North):

1. How many displaced persons were brought into Canada in 1948 under the jurisdiction of the Department of Labour?

2. How many displaced persons were brought into Canada during 1948 by individual employers?

3. How many displaced persons were brought into Canada in 1948 by individuals who are not employers?

Mr. MacKinnon:

1. The Department of Labour co-operated with the immigration branch in arranging for the entry of 21,012 persons for whom employment was found in Canada.

2. and 3. Information is not compiled in such a way as to permit of a precise answer

to these questions. In addition to the total of 21,012 displaced persons shown in answer to question No. 1, 24,962 displaced persons admitted to Canada during the calendar year 1948 were destined to relatives under existing immigration regulations, and 632 were admitted under guarantee of employment by their sponsors. In some cases the relatives in Canada also supplied employment.

FARM INCOME

Mr. Wright:

1. What is the dominion bureau of statistics estimated gross agricultural income for each of the years 1928 to 1948, inclusive?

2. What is their estimated net farm income for each of the same years?

3. What deductions are made in estimating net income?

4. What is the estimated national income for each of the years 1928 to 1948 inclusive?

Mr. McIlraith:

1 and 2. Gross and net farm income series for 1928 to 1947 are as follows, in millions of dollars:

	Gross Farm Income[1]	Net Income of Farm Operators from Farm Production[2]
1928	1,326	693
1929	1,042	443
1930	943	359
1931	640	146
1932	570	108
1933	535	98
1934	651	190
1935	708	238
1936	720	273
1937	809	326
1938	885	371
1939	962	461
1940	1,034	508
1941	1,054	548
1942	1,699	1,089
1943	1,610	969
1944	1,980	1,213
1945	1,741	971
1946	2,012	1,130
1947	2,214	1,235
1948 Prelim.	2,835	1,743

[1] Includes cash income, income in kind and the value of changes in inventory.

[2] Excludes investment income of farmers or wages received from work in other industries.

3. Deductions made in estimating net incomes are as follows:

1. Taxes on all farm land. 2. Net farm rent. 3. Wages paid to labour. 4. Interest on mortgages, agreements of sale, etc. 5. Feed and seed purchased through market channels. 6. Tractor fuel, oil and grease. 7. Truck expenses (a) licenses, (b) operating. 8. Farm automobile expenses. 9. Blacksmith and machine shop charges. 10. Binder twine. 11. Fertilizer. 12. Fruit and vegetable supplies (sprays, boxes, etc.). 13. Fencing. 14. Repairs to buildings. 15. Machinery repair parts. 16. Water rent. 17. Nursery stock. 18. Miscellaneous (this item includes farmers' expenses for veterinary services, rope, salt, small tools, hardware and repairs to harness). 19. Depreciation of buildings. 20. Depreciation of machinery. 21. Imputed net rent of owner-occupied dwellings and net transfer payments under Prairie Farm Assistance Act and prairie farm income plan are excluded from net farm income above.

4. Net National Income at Factor Cost
(millions of dollars)

1928	4,750	1939	4,289
1929	4,689	1940	5,255
1930	4,190	1941	6,594
1931	3,261	1942	8,382
1932	2,582	1943	9,093
1933	2,387	1944	9,712
1934	2,820	1945	9,772
1935	3,117	1946	9,765
1936	3,446	1947[1]	10,981
1937	4,017	1948[2]	12,802
1938	3,986		

[1] Revised preliminary
[2] Preliminary

EMPLOYMENT—DISPLACED PERSONS

Mr. Stewart (Winnipeg North):

1. How many displaced persons have completed their work contracts in Canada?

2. Is there any special employment policy for these people?

Mr. Cote (Verdun):

1. 6,629.

2. On completion of undertaking, displaced persons may accept employment of their own choosing in the same manner as other residents. They are encouraged to remain in the employment to which they were assigned but are informed that the facilities of the national employment service are available to them if they wish to take other work. Local offices of the national employment service have been instructed to interview such applicants carefully to ensure that the most suitable possible placements are made having regard to the applicants' wishes and skills or trades possessed.

LINDSAY, ONT., ARSENAL

Mr. McGregor:

1. How many employees were or are (a) in January, 1945; (b) today; (i) engaged at the arsenal at Lindsay, Ontario; (ii) engaged in office work at the arsenal at Lindsay, Ontario?

2. What was the value of all production in said arsenal in (a) the year 1944; (b) the year 1948?

Questions

Mr. McIlraith:

1. (a) (i), 959; (b) (i), 193; (a) (ii), 13; (b) (ii), 21.

2. (a) $4,004,021; (b) $436,941.35.

The increase in (b) ii over (a) ii is due to the fact that Lindsay arsenal is now a self accounting division of Canadian Arsenals Limited, and is also engaged in the tabulation of production data from other war plants.

INCOME TAX AND SUCCESSION DUTIES—CALGARY AND EDMONTON DISTRICTS

Mr. Dechene:

1. What was the amount of income tax collected in 1948 in the province of Alberta (Calgary and Edmonton districts)?

2. What was the amount of succession duties collected in 1948 in the province of Alberta (Calgary and Edmonton districts)?

Mr. McCann:

1.	Income War Tax Act	Excess Profits Tax Act	Total
Calgary district	$24,999,341 48	$ 4,224,580 54	$29,223,922.02
Edmonton district	15,698,181 44	2,459,620 77	18,157,802.21
Province of Alberta	$40,697,522.92	$ 6,684,201.31	$47,381,724 23

2.	Dominion Succession Duty Act	
Calgary district	$ 506,023 30	
Edmonton district	497,954.00	
Province of Alberta	$ 1,003,977.30	$ 1,003,977.30
	Grand Total	$48,385,701 53

INCOME TAX—ALBERTA

Mr. Dechene:

1. What was the total amount of personal income tax collected in the years 1946, 1947, 1948, in the province of Alberta?

2. How much of the above amount was collected from farmers and ranchers in the province of Alberta during the same years?

Mr. McCann:

1. Individual income tax collections for the province of Alberta for the fiscal years 1946, 1947 and 1948 are as follows:

1946	$31,861,739
1947	35,124,816
1948	30,858,199

2. No statistics are available for the amount of tax collected from farmers and ranchers in the province of Alberta. Statistics maintained are only those of taxes declared on filing. The latest available statistics are for the taxation year 1946 when farmers and ranchers in the province of Alberta reported declared taxes of $2,570,000.

ENEMY SHIPS CAPTURED IN WORLD WAR II—PARTICIPATION OF CANADIAN PERSONNEL

Mr. Fraser:

1. How many enemy ships were captured during world war II, in the capture of which Canadian personnel took part?

2. What was the nationality of each of such ships captured?

3. What was the amount of cargo seized in each case?

4. What disposition has been made to date of all such ships and cargoes?

Mr. Baker:

1 and 2. The total number of enemy ships captured in world war II, in the capture of which Canadian personnel took part, is not definitely known, as Canadian navy and air force personnel serving with United Kingdom units would participate in such actions.

Two enemy ships were captured by H.M.C. ships as follows: S.S. *Weser*, German merchant ship, 9,472 tons gross; S.S. *Capo Noli*, Italian merchant ship, 4,000 tons gross.

3. S.S. *Weser*, $42,573.48 in value; S.S. *Capo Noli*, $15,581.79 in value.

4. S.S. *Weser* renamed *Vancouver Island* under Canadian registry and operated by Canadian government merchant marine until torpedoed and sunk on October 15, 1941. Cargo sold for above amount.

S.S. *Capo Noli* renamed *Bic Island* under Canadian registry and operated by Canadian government merchant marine until torpedoed and sunk on October 29, 1942. Cargo sold for above amount.

GOLD SUBSIDIES—BRALORNE MINES

Mr. Irvine:

1. Have any moneys been paid to the Bralorne Mines Ltd. under the gold subsidy act?

2. If so, what are the amounts and when were such amounts advanced?

Mr. Maybank:

1. Yes.

2. October 9, 1948, $33,572.78; January 28, 1949, $48,325.39; total, $81,898.17.

Questions

NEW PUBLIC BUILDING IN CHARLOTTETOWN

Mr. McLure:

1. What is the procedure for the appraising of properties valuations in the area of the site for the new dominion building at Charlottetown?
2. Are the appraisals or valuations made in Charlottetown, and by whom?
3. Are any appraisals or valuations now made?
4. How long will present owners and tenants be given before having to vacate?

Mr. Fournier (Hull):

1. Local appraisers are appointed who are asked to report their estimate of current market value on each individual property concerned.

2. Appraisals made in Charlottetown by: Mr. P. S. Bradley, R.R. No. 3, Charlottetown; Mr. Gilbert Gaudet, K.C., Bank of Commerce Building, Charlottetown.

3. Yes; two, as stated above.

4. Vacant possession of the property is scheduled for September 1, 1949.

TAXES COLLECTED BY FEDERAL GOVERNMENT FROM PROVINCES

Mr. Low:

What was the total of the following taxes and items collected by the federal government from each of the provinces for the years 1947 and 1948: (a) income tax—personal; (b) income tax—corporation; (c) excess profits tax; (d) succession duties; (e) royalties; (f) dividends; (g) interest?

Mr. McCann:

Province	Question (a) Income Tax Personal	Question (b) Income Tax Corporation	Question (c) Excess Profits Tax	Question (d) Succession Duties	Question (e) Rents and Royalties	Questions (f) and (g) Dividends and Interest
	Collections for the 1947-48 Fiscal Year, by Provinces					
	$	$	$	$	$	$
Prince Edward Island	1,236,995.15	686,984.34	328,477.77	54,360.57	429.43	63,718.61
Nova Scotia	15,492,762.50	7,711,448.94	4,756,528.83	1,206,125.11	2,183.25	117,020.22
New Brunswick	11,853,532.06	6,414,309.17	4,194,832.99	625,047.78	2,713.35	33,325.82
Quebec	171,773,055.99	107,480,593.90	78,468,422.58	7,807,022.98	795,172.52	12,050,318.68
Ontario	302,406,376.98	150,466,339.76	86,534,093.56	15,890,474.38	1,054,515.24	18,614,146.20
Manitoba	33,095,159.13	16,300,637.17	14,592,877.63	790,287.30	11,656.13	1,347,800.23
Saskatchewan	22,893,140.68	4,665,838.46	4,938,309.46	699,271.48	6,031.66	162,314.69
Alberta	30,858,199.42	9,127,855.28	6,684,201.31	1,003,977.30	37,572.22	303,097.40
British Columbia	66,517,174.51	48,621,455.92	26,510,672.11	2,747,213.80	49,693.40	1,188,729.71
Yukon	714,355.88	18,403.26	22,077.69	4,259.18	125.33	48,463.45
Head Office (Ottawa)	32,650.33	41,140.29	—	—	—	—
Canada	656,873,402.63	351,535,006.49	227,030,493.93	30,828,039.88	1,960,092.53	33,928,935.01
	Collections for the 1946-47 Fiscal Year, by Provinces					
	$	$	$	$	$	$
Prince Edward Island	1,375,989.20	681,755.14	719,199.18	29,030.00	692.60	52,199.14
Nova Scotia	19,785,822.79	4,433,201.72	10,026,981.40	347,797.77	4,944.89	124,591.87
New Brunswick	13,640,644.61	3,306,711.98	7,733,973.03	946,049.51	1,753.80	40,454.25
Quebec	175,830,052.03	52,621,486.46	156,788,724.20	7,025,415.67	670,530.75	10,882,158.63
Ontario	314,936,990.35	93,462,445.81	187,263,398.92	11,083,701.10	928,528.24	14,223,606.87
Manitoba	36,565,758.69	11,661,440.02	25,920,939.89	660,877.31	14,109.64	1,064,746.25
Saskatchewan	23,435,170.70	2,207,141.73	5,436,754.31	369,539.09	12,048.64	134,305.85
Alberta	35,124,816.00	5,578,262.51	15,329,459.29	482,005.53	30,249.94	464,636.06
British Columbia	70,605,888.73	22,920,811.94	39,444,227.37	2,631,655.24	42,232.79	1,441,130.80
Yukon	668,038.95	(31,478.12)	33,785.82	(.49)	2,911.16	313.18
Head Office (Ottawa)	20,058.33	(22,525.88)	—	—	—	—
Canada	691,989,230.38	196,819,253.31	448,697,443.41	23,576,070.73	1,708,002.45	28,428,142.90

Figures in brackets represent an Excess of Refunds over Collections.

FISHERIES—P.E.I.—AIR PATROL OF LOBSTER AREAS

Mr. McLure:

1. Did the fisheries department employ airplanes for patrolling in the lobster fishing areas?
2. If so, how many planes were in operation?
3. Was it more successful than motor boat patrolling?
4. What quantity of gear was confiscated by this patrolling?

[Mr. Maybank.]

5. How many fishermen were fined for illicit lobster fishing in each of the three counties, namely —Prince, Queens and Kings?

Mr. MacNaught:

1. Yes.

2. One plane in Prince Edward Island.

3. This type of patrol does not replace regular patrol by boat. As a matter of fact

both services work in close co-operation. The limited experimental flying patrol during the past season proved a valuable auxiliary to boat patrol.

4. Gear was not actually confiscated by the airplane patrol. On the five days, however, the plane operated, 1,079 lobster traps, 60 lobster crates, 3 anchors, and 5,250 pounds of lobsters were confiscated by patrol boats largely by direction from the air.

5. Prince	25
Queens	15
Kings	33
Total	73

NAVAL SERVICES—DESTROYERS

Mr. McGregor:

1. How many destroyers have been built by the Canadian government since the 1st of January, 1940?

2. What are the names of the said destroyers?

3. When was the keel laid in each case and when were the destroyers commissioned?

4. What was the total cost of each?

5. What has been the cost of repairs on each since commissioned?

Mr. Baker:

1. Eight.

2. *Iroquois, Athabaskan, Huron, Haida*—built in the United Kingdom; *Micmac, Nootka, Cayuga, Athabaskan*—built in Canada.

3. Name	Laid down	Commissioned
Iroquois	19- 9-40	10-12-42
Athabaskan	19- 9-40	10-12-42
(Note: *Athabaskan*, war loss.)		
Huron	15- 7-41	28- 7-43
Haida	29- 9-41	18- 9-43
Micmac	20- 5-42	14- 9-45
Nootka	20- 5-42	9- 8-46
Cayuga	7-10-43	20-10-47
Athabaskan (new)	15- 5-44	20- 2-48

4. *Iroquois, Athabaskan*: $5,790,333.00; *Huron, Haida*: $5,766,673.00; **Micmac*, $8,688,213.87 (includes sales tax); **Nootka*, $8,688,213.87 (includes sales tax); **Cayuga*, $7,647,550.00 (includes sales tax); **Athabaskan* (new), $7,647,550.01 (includes sales tax).

5. *Athabaskan*—war loss—no records; *Iroquois*, $517,611.34 (includes tropicalization); *Huron*, $379,040.26; *Haida*, $496,956.18 (includes tropicalization); *Micmac*, $208,414.35, $431,084.02 collision damage; *Nootka*, $177,035.27; *Cayuga*, $47,078.50; *Athabaskan* (new), $61,740.43.

*The contract on Canadian built destroyers has now been completed. These figures include the final adjustments.

Questions

FARM LOAN BOARD—BRITISH COLUMBIA

Mr. Pearkes:

1. At what points in Canada are branches of the farm loan board located?

2. Who is responsible for the operation of the board on Vancouver island, British Columbia?

3. How many applications for loans were made from British Columbia last year?

4. How many of these were approved?

Mr. Belzile:

1. New Westminster, British Columbia; Edmonton, Alberta; Regina, Saskatchewan; Winnipeg, Manitoba; Toronto, Ontario; Quebec, Quebec; Saint John, New Brunswick; Halifax, Nova Scotia; Charlottetown, Prince Edward Island.

2. Mr. W. S. Palmer, Branch Manager, Canadian farm loan board, New Westminster, B.C.

3. 229.

4. Ninety-one have been approved for loan and 28 were still pending as of February 11, 1949. Of the 28 pending applications, 17 of the securities offered have not as yet been appraised.

RURAL MAIL DELIVERY NORTH OF ST. CATHARINES, ONT.

Mr. Lockhart:

1. Were tenders asked for rural delivery over the area now only partly served by R.R. No. 2 north of St. Catharines, Ontario?

2. If so, what are the names of those who tendered?

3. What were the amounts of the tenders received?

4. Have any new contracts been let?

Mr. Bertrand (Laurier):

1. Yes.

2 and 3. Tenders receivable 30th January, 1948: Walter Herbert Howe, Jr., $1,200; Steve Mako, $1,600; Levi Mackey, $1,600; Neil Alexander Wright, $1,650; John Pietracupa, $1,700.

Tenders were considered high and each tenderer was given an opportunity to reduce, with the following result: Walter Herbert Howe, Jr., $1,200; Steve Mako, $1,600; Levi Mackey, $1,500; Neil Alexander Wright, $1,590; John Pietracupa, $1,550.

Tenders were again invited in October, 1948, in a further effort to secure a reasonable rate with the following result: Thomas Edward Lehan, $1,200; L. Mackey, $1,500; John Joseph Dix, $1,550; John J. Pietracupa, $1,750.

These last tenders were also considered too high and each tenderer was given an opportunity to reduce, with the following result: Thomas Edward Lehan, $1,200; L.

Mackey, $1,500; John Joseph Dix, $1,200; John J. Pietracupa, $1,750.

4. In the absence of a reasonable tender, no contract has been awarded.

UNEMPLOYMENT INSURANCE—COSTS OF ADMINISTRATION

Mr. McGregor:

What has been the cost in each of the last two fiscal years of the administration of unemployment insurance (a) expressed as total number of dollars for each year; (b) expressed as a percentage of the unemployment benefits paid in the corresponding year?

Mr. Coté (Verdun):

(a) The cost of administration of unemployment insurance, that is the collection of contributions and the distribution of benefits, is not ascertainable. This is due to the fact that the staff employed under the supervision of the unemployment insurance commission carry out many other duties, including operation of the national employment service, escort, placement and follow-up of displaced persons, surveys for other government departments on employment conditions, etc.

The total cost of administration of the unemployment insurance commission, including all these functions, was: Fiscal year 1946-1947, $18,726,118.86; Fiscal year 1947-1948, $17,640,405.24.

Collections of contributions made from employers and employees were (exclusive of government contributions): Fiscal year 1946-1947, $76,015,030.91; Fiscal year 1947-1948, $83,870,834.47.

Payments for unemployment insurance benefits were: Fiscal year 1946-1947, $43,114-329.18; Fiscal year 1947-1948, $34,947,020.32.

(b) See answer to (a) above.

CIVIL SERVICE COMMISSION—INSPECTORS OF PUBLIC BUILDINGS

Mr. Hatfield:

1. Are the inspectors of dominion public buildings appointed by the civil service commission?
2. If not, who appoints them?
3. How many of these inspectors are there in the maritime provinces?
4. What are their names?
5. Where does each of them reside?
6. What is their remuneration?
7. How much was paid to each of them in 1948?

Mr. Fournier (Hull):

1 and 2. All inspectors of construction of dominion public buildings (clerks of works) are appointed by the civil service commission, with the exception of clerks of works, grades 1 and 2, outside the city of Ottawa, who are exempt from the operation of the Civil Service Act, where the position is required for the supervision of work done by contract and where it is expected that the position will not be required for more than one year. These exempted employees are appointed by the department.

3. Three.

4 and 5. Arthur D. LeBlanc, Saint John, N.B.; Gerald P. Heffernan, Saint John, N.B.; Harry W. Carroll, Halifax, N.S.

6. Arthur D. LeBlanc, Clerk of Works Grade 4, $3,180 per annum; Gerald P. Heffernan, Clerk of Works Grade 3, $2,880 per annum; Harry W. Carroll, Clerk of Works Grade 2, $2,580 per annum.

7. Arthur D. LeBlanc, $2,467.74; Gerald P. Heffernan, $1,001.61; Harry W. Carroll, $1,340.00.

SHIP CONSTRUCTION IN CANADA, 1945-48

Mr. Isnor:

What was the gross tonnage of ships constructed in Canada during each of the following years: 1945, 1946, 1947 and 1948?

Mr. Chevrier:

Merchant vessels delivered:

	Totals
1945	
No.	37
Gross Tons	126,430
1946	
No.	60
Gross Tons	53,311
1947	
No.	42
Gross Tons	82,196
1948	
No.	91
Gross Tons	161,664

Naval Vessels Delivered:

	Totals
1945	
No.	51
Displacement Tons	279,848
1946	
No.	2
Displacement Tons	12,276
1947	
No.	1
Displacement Tons	2,276
1948	
No.	1
Displacement Tons	2,276

PRINTING BUREAU EMPLOYEES

Mr. Shaw:

1. What is the total number of persons employed by the printing bureau?
2. How many reside in Ottawa?
3. How many of these reside in Hull?
4. How many reside elsewhere?

Mr. Gibson (Hamilton West):

1. 831.
2. 612.
3. 108.
4. 111.

FARMERS—INCOME TAX—INVESTIGATORS AND ASSESSORS

Mr. Diefenbaker:

1. What was the total amount of income tax payable by farmers in each of the provinces for the year 1947 (a) as assessed by the Department of National Revenue; (b) as declared in the returns filed?

2. How many income tax investigators and assessors are there in each province?

Mr. McCann:

1. (a) Information not yet compiled. (b) Not available until late summer.

2. There are no income tax investigators employed by the taxation division. As of January 31, 1949, the following are the total corporation and individual assessors by provinces:

Prince Edward Island	12
Nova Scotia	56
New Brunswick	44
Quebec	639
Ontario	899
Manitoba	135
Saskatchewan	89
Alberta	154
British Columbia	158
Total	2,186

OLD AGE PENSIONS

Mr. McCullough (Assiniboia):

1. What is the estimated cost to the dominion treasury for an old age pension plan of $50 per month at 65 years of age: (a) with a means test; (b) without a means test?

2. How many pensioners would have been eligible under either plan in 1948?

Mr. Reid:

1. (a) Assuming (1) that the means test referred to is the same as that now provided in the Old Age Pensions Act and (2) that the percentage of persons 65 years of age and over on pension would be the same as for 70 and over, the estimated cost would be $232,500,000; Dominion's share on present basis (75 per cent), $174,400,000; (b) Estimated annual cost of paying a pension of $50 a month to every person in Canada 65 years of age and over without a means test, $576,400,000; Dominion's share on present basis (75 per cent), $432,300,000.

2. (a) Estimated number of pensioners, 403,500; (b) estimated number of pensioners, 960,700.

HUDSON'S BAY COMPANY—JUDICIAL FUNCTIONS

Mr. Knight:

1. Does the Hudson's Bay company exercise any (a) governmental; (b) judicial function, in the Northwest Territories?

2. If so, by what authority are those functions authorized?

Questions

3. Are white men restricted from trapping in any part of these areas?

4. If so, by whom is such restriction enforced?

Mr. Maybank:

1. (a) No.

(b) No.

Note: The Hudson's Bay Company has trading posts at a great many places in the north where the government is not represented. These posts are equipped with wireless sets. All officials, including post managers, co-operate with government agencies in furnishing reliable information and relieving distress.

2. Answered by 1 (a) (b).

3. The following regulations apply to trapping by white men in the Northwest Territories:

"No person except a native born Indian (or half-breed leading the life of an Indian) or an Eskimo (or half-breed leading the life of an Eskimo) shall engage in hunting or trapping any game protected under the regulations without first securing a licence so to do".

"The following shall be eligible for hunting and trapping licences:

(1) Residents of the Northwest Territories, as defined by these regulations, who on the 3rd May, 1938, held hunting and trapping licences and who continue to reside in the Northwest Territories.

(2) The children of those who have had their domicile in the Northwest Territories for the past four years, provided such children continue to reside in the Northwest Territories.

(3) Such other persons as the commissioner of the Northwest Territories may decide are equally entitled to licences under these regulations.

Note: Only British subjects with four years' residence in the Northwest Territories are eligible for licences under clause 2. A minor under the age of fourteen years shall not be eligible for a licence. A minor assisting his parents or guardians in connection with hunting or trapping operations will not require a licence".

4. The regulations are enforced by Northwest Territories game officers and the Royal Canadian Mounted Police.

CANADIAN REPRESENTATION IN RUSSIA

Mr. Caouette:

1. Has Canada any representatives in Russia?

2. If so, who are they and what annual salary is paid to each?

Mr. Lapointe:

1. Yes.

2. J. B. C. Watkins, charge d'affaires a.i., $5,640; R. A. J. Phillips, second secretary, $3,720; M A. Crowe, third secretary, $3,180.

Questions

POTATOES—PAYMENTS IN N.B. AND P.E.I. UNDER STARCH SUPPORT PROGRAM

Mr. Hatfield:

What was the amount per bushel or hundredweight paid to the starch factory in New Brunswick; also to the starch factory in Prince Edward Island in the year 1946-47 for potatoes processed under the agriculture prices starch support program?

Mr. McCubbin: In the year 1946-47 potatoes were purchased by the agricultural prices support board from producers in New Brunswick at $1.50 per barrel (165 pounds), provided the potatoes contained at least 70 per cent Canada No. 1 grade. Such potatoes were then sold to the starch factory at $1 per barrel. In Prince Edward Island potatoes of the same grade were purchased from the growers at 92 cents per 100 pounds and sold to the starch factory at 60 cents per 100 pounds. In all cases the potatoes sold to starch factories were for starch making and not for resale.

INCOME TAX—FARMERS—SASKATCHEWAN

Mr. McKay:

1. What was the amount of income tax paid by farmers in the dominion of Canada for each of the years 1943, 1944, 1945, 1946, 1947?

2. What portion of the total income tax paid by farmers in Canada for each of the above years was paid by farmers resident in Saskatchewan?

Mr. McCann:

1. The taxation division does not maintain statistics of collections on an occupational basis. The amount of tax assessed on farmers for 1943 to 1945 inclusive and the amount of tax declared by farmers for 1946 is shown in the following table:

	1943	1944	1945	1946	Total
Prince Edward Island	$ 49,000	$ 42,000	$ 39,000	$ 5,000	$ 135,000
Nova Scotia	88,000	90,000	65,000	33,000	276,000
New Brunswick	39,000	35,000	47,000	15,000	136,000
Quebec	165,000	199,000	193,000	14,000	571,000
Ontario	1,766,000	2,039,000	1,608,000	1,449,000	6,862,000
Manitoba	2,188,000	2,714,000	1,369,000	1,265,000	7,536,000
Saskatchewan	3,778,000	9,246,000	4,769,000	3,299,000	21,092,000
Alberta	2,597,000	4,877,000	3,368,000	2,570,000	13,412,000
British Columbia	950,000	1,239,000	1,269,000	1,193,000	4,651,000
Total	$11,620,000	$20,481,000	$12,727,000	$ 9,843,000	$54,671,000

Similar information for 1947 has not yet been compiled.

2. The percentage of tax assessed or declared on the above basis on or by Saskatchewan farmers is as follows:

	Canada	Saskatchewan	Per cent
1943	$11,620,000	$ 3,778,000	32·5
1944	20,481,000	9,246,000	45·1
1945	12,727,000	4,769,000	37·5
1946	9,843,000	3,299,000	33·5
Total	$54,671,000	$21,092,000	38·6

BIRMINGHAM TRADE FAIR

Mr. Church:

1. Does the Department of Trade and Commerce propose to have an exhibit at the Birmingham, England, trade fair?

2. If so, what steps are being taken in this connection?

Mr. McIlraith:

1. Birmingham is the heavy industries section of the British industries fair. Canadian government exhibits are limited to the commonwealth section, London. The Department of Trade and Commerce will have an exhibit in the commonwealth section, B.I.F. London, 1949.

2. Answered by No. 1.

FLOUR—NITROGEN TRICHLORIDE AS BLEACHING AGENT

Mr. Young:

1. Has the government taken any action with respect to the use of nitrogen trichloride (NC_3), by millers, as an agent in the bleaching of flour?

2. If so, what action has been taken?

Mr. Reid:

1. Yes.

2. (a) The food and drugs divisions of the Department of National Health and Welfare sent a representative to hearings in Washington, at which the use of nitrogen trichloride in flour was investigated.

(b) Although there is no evidence that nitrogen trichloride is harmful to humans in the amount present in white flour sold in this country, nevertheless, owing to the suspicion cast upon it by some animal experiments,

regulations under the Food and Drugs Act are being revised to prohibit the use of nitrogen trichloride in flour sold in Canada.

INCOME TAX—PRIMARY PRODUCERS SECTION

Mr. Diefenbaker:

How many assessors of income tax are there in each of the provinces operating in the primary producers division of the Department of National Revenue?

Mr. McCann:

The primary producers section dealing with income tax returns of farmers, fishermen, fur trappers, and allied occupations, has assessors located as follows:

Prince Edward Island	7
Nova Scotia	9
New Brunswick	11
Quebec	22
Ontario	95
Manitoba	36
Saskatchewan	69
Alberta	50
British Columbia	12
	311

Of the above primary producer assessors, only the following number are used to make investigations in the field:

Prince Edward Island	6
Nova Scotia	6
New Brunswick	6
Quebec	13
Ontario	55
Manitoba	28
Saskatchewan	28
Alberta	22
British Columbia	5
	169

QUESTIONS PASSED AS ORDERS FOR RETURNS

WHEAT SUBSIDIES

Mr. Fair:

1. During each of the crop years 1939-40 to date, how many bushels of wheat have been supplied to millers on which a subsidy has been paid?
2. During the same period, what quantity of wheat has been supplied to others on which a subsidy has been paid?
3. What is the amount of subsidy paid each crop year in each of the above classes?

Mr. Belzile: Return tabled.

CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

Mr. Cockeram:

What were the (a) current receipts; (b) current payments in the Canadian balance of international payments for the calendar year 1948 in each of the following categories: (1) merchandise; (2) receipts by War Supplies Limited; (3) net exports of non-monetary gold; (4) tourist expenditures; (5) interest and dividends; (6) freight and shipping; (7) inheritance and immigration funds; (8) national defence; (9) all other current receipts and expenditures for (a) all countries; (b) United Kingdom; (c) other sterling areas; (d) United States of America; (e) all other countries?

Mr. Cockeram:

What were the amounts on capital account in the Canadian balance of international payments for the calendar year 1948 in each of the following categories: (1) loans and net export credits; (2) gold subscriptions; (3) net receipts of convertible exchange from overseas countries; (4) loan repayments; (5) sale and purchase of securities; (6) other capital movements, for (a) all countries; (b) United Kingdom; (c) other sterling areas; (d) United States of America; (e) all other countries?

Mr. McIlraith: Order for return.

Mr. Cockeram: May I ask when I can expect the return to be tabled? I do so because a similar question was asked last year; the return was tabled on February 18, and I think these figures are available in the department today. I would like to get them before the resolution on the order paper today with regard to the Foreign Exchange Control Act is brought before the house.

Mr. McIlraith: My information is that the figures will not be available until March 1. The return will be brought forward as soon as the figures are available.

Mr. Cockeram: The answers were given on February 18 of last year.

Mr. Speaker: Order for return.

BANK OF CANADA—PROFIT OR LOSS ON OPERATIONS

Mr. Jackman:

1. What has been the profit or loss on operations of the Bank of Canada in each of the years since its inception?
2. What was the rate of profit in each year expressed as a percentage of paid up capital?
3. How much has been retained by the bank as a reserve and how much has been paid over to the consolidated revenue fund?

Mr. Belzile: Return tabled.

ROUYN-NORANDA, VAL D'OR AND MONTREAL AIR SERVICE

Mr. Caouette:

1. Have any airline companies applied for the establishment of a plane service between Rouyn-Noranda, Val d'Or and Montreal?
2. If so, what are the names of such companies?
3. Has a franchise been granted for such service?
4. If so, to what company?
5. Has the government granted any sum of money for the construction of air bases?
6. If so, to whom; in what amount and for what bases?

Motions for Papers

POSTAGE RATES ON GIFT PARCELS

Mr. Hansell:

1. What is the rate of postage on gift parcels to (a) England; (b) other European countries?
2. Who sets the rates of postage for these parcels?
3. How do these rates compare with those charged by the United States of America for parcels to the same countries?

Mr. Bertrand (Laurier): Return tabled.

UNEMPLOYMENT INSURANCE—VETERANS

Mr. McKay:

How many veterans were in receipt of unemployment insurance in Canada during (a) 1947; (b) 1948?

MOTIONS FOR PAPERS

TRANS-CANADA HIGHWAY

Mr. Argue:

For a copy of all letters, telegrams and other communications exchanged between the government of Canada and the provincial governments from January 1, 1948 to date, concerning the construction of a trans-Canada highway.

Mr. MacKinnon: So far as we are concerned we are glad to have this order pass, but there appear to be confidential letters from some of the provinces, and I should like first to clear those letters with the provinces. In the meantime the order might pass.

Mr. Speaker: Carried with the reservation made by the minister.

INCOME TAX—RURAL TELEPHONE COMPANIES

Mr. Burton:

For a copy of all documents and correspondence exchanged during the past two years between the Saskatchewan government Department of Telephones and the Department of National Revenue regarding income tax returns by rural telephone companies.

NATIONAL CAPITAL PLANNING

Mr. Diefenbaker:

For a copy of the architect's plan for the national capital project together with all letters and communications relative to the area thereof and the estimated cost of (a) acquiring the necessary lands; (b) removal of buildings thereon and all other anticipated costs and expenditures.

Mr. St. Laurent: I believe there is no objection to the motion, but I should like to state what I understand from it, to see if that is what the hon. member has in mind. The architect's plan to which he refers is presumably the report of Mr. Greber, who is the consultant of the national capital planning committee. That report has not yet been approved by the national capital planning committee, nor has it been submitted to the government. It is expected shortly, and as soon as it is received it will be tabled.

[Mr. Caouette.]

The motion refers to the area of the national capital project. As far as the area is concerned, there may be some confusion between the area it was felt desirable to designate as the national capital area for the purpose of establishing a framework within which planning could be carried on, and the parcels of land which it may be thought desirable to acquire for government buildings, driveways, and so forth. The national capital area is a large region, and has significance for purposes of planning, but there is no thought that it would ever be acquired in totality by the federal government.

We would understand that the letters and communications sought are in relation to the definition of the national capital planning area, while the estimates of costs are in relation to the lands of which the project recommends the acquisition. If that is what the hon. member wishes to have tabled, I will see to it that the report is prepared at the earliest possible moment.

Mr. Diefenbaker: Mr. Speaker, what the Prime Minister has stated represents generally the purpose of my request. I should like to ascertain, though, if I may, when the report of Mr. Greber may be expected. There is a great deal of interest in it. I understand that a committee has been sitting in Ottawa from time to time in connection with the matter, and it seems to me the time has come for the Prime Minister to make a statement to the house and to the country.

Mr. St. Laurent: I will communicate with the chairman of the national capital planning committee and tell him it is the desire of the members of the house to have this document at the earliest possible moment.

Motion agreed to.

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

Mr. Diefenbaker:

For a copy of all letters and communications containing representations or suggested terms made by the government of Canada since January 1, 1948, to the united nations or its committee on international rights relative to the international declaration or charter of human rights and fundamental freedoms.

FAR EASTERN COMMISSION

Mr. Green:

For a copy of any reports issued by the far eastern commission subsequent to the report of the secretary general for the period from February 26, 1946 to July 10, 1947.

Mr. Lapointe: The report referred to in this order was tabled by the Secretary of State for External Affairs (Mr. Pearson) on Monday last.

Mr. Green: I believe there was a report tabled after my motion had been put on the order paper. If there are no other reports, I am satisfied to have the motion dropped.

Mr. Lapointe: There are no reports other than the one the minister tabled.

Motion dropped.

UNEMPLOYMENT INSURANCE COMMISSION—OFFICE SPACE AT SIOUX LOOKOUT

Mr. Knowles:

For a copy of all correspondence, letters, telegrams, memoranda, and other documents, in the possession of any department of the government having to do with the renting of office space for the unemployment insurance commission at 39 King street, Sioux Lookout, Ontario; also having to do with the amount of rent paid for the same; dated since January 1, 1946.

ACCIDENT STATISTICS

Mr. Church:

For a return showing the number of Canadians killed by (a) motor cars on the highway; (b) drowning; (c) accidents at level crossings; (d) fires in homes, showing number injured; (e) other accidents, showing number injured.

Mr. Howe: It will be observed that no period of time is mentioned in the question. The government will of course be glad to bring down the information, but there should be a limit to the period to which it shall apply. Perhaps my hon. friend will let me know.

Mr. Church: The bureau of statistics can give the information.

Mr. Howe: Does the hon. member want the information for 1948? If he will indicate his desire in that regard, I shall be glad to carry out the request.

SALE OF RAILWAY FLAT CARS

Mr. Young:

For a copy of all correspondence, telegrams and agreements exchanged from June 1, 1946, to January 1, 1948, between War Assets Corporation, Manfred and Company of New York, and Quadra Trading Company Ltd., importers and exporters, of Vancouver, British Columbia, or their agents, Jones, Luscombe, and Leese, Ltd., of Vancouver, British Columbia, regarding the sale of railway broad-gauge flat cars.

INCOME TAX—LONDON, ONT., BUILDING

Mr. Manross:

For a copy of all correspondence, agreements, leases, contracts, documents, and building specifications exchanged between the government of Canada and Westmount Realties Limited of Montreal, and any other contractors, investors, or other persons in London, Ontario, regarding building to be erected in London, Ontario, for use of Income Tax Department.

Inquiries of the Ministry

ALCOHOLIC LIQUORS

QUESTION AS TO INQUIRY BY ROYAL COMMISSION

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask a question of the Prime Minister which has some relation to the motion for papers made by the hon. member for Broadview (Mr. Church)? Has the government been asked to appoint a royal commission to investigate the liquor problem in all its aspects, but with particular reference to highway accidents? If so, will the Prime Minister say whether such a royal commission will be set up?

Right Hon. L. S. St. Laurent (Prime Minister): To the first part of the question the answer is in the affirmative. To the second part of the question the answer is that the representations made to the committee of cabinet have not yet been brought before council for consideration, but that will be done at the earliest opportunity.

CRIMINAL CODE

COMMISSION TO CARRY OUT REVISION

On the orders of the day:

Mr. Gordon B. Isnor (Halifax): Mr. Speaker, on January 31 the Minister of Justice, in reply to a question as to the appointment of a commission to carry out the revision of the Criminal Code, gave the names of the representatives from the various sections of Canada. Is it the minister's intention to appoint to this commission a representative from Nova Scotia? If so, is he in a position to give the name of that representative?

Hon. Stuart S. Garson (Minister of Justice): Mr. W. C. Dunlop, K.C., of Windsor and Halifax, is to be appointed the maritime representative on this committee.

NATIONAL CAPITAL PLANNING

QUESTION AS TO EXPROPRIATION OF PROPERTY

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to ask a question of the Prime Minister arising out of a statement he made in connection with the motion for papers standing in the name of the hon. member for Lake Centre (Mr. Diefenbaker). As I understood him, the Prime Minister said the architect's report has not yet been approved by the national capital planning committee. If that is so, may I ask the Prime Minister under what authority properties are now being expropriated for the purposes of the national capital project?

Inquiries of the Ministry

Right Hon. L. S. St. Laurent (Prime Minister): The hon. member would be under a false apprehension if he felt that nothing could be done for the requirements of the public service until the project was shown on the Greber plan and approved by the national capital planning committee. There are many projects being considered individually and being dealt with on that basis. The reference was to a general report for the planning of the national capital, looking forward for many years. Such a general report is now being considered by the national capital planning committee, and, as I stated a few moments ago, I will ask that committee to expedite its consideration of the report so that it may be brought before the house at the earliest possible moment.

WHEAT BOARD ACT

AMENDMENTS OF SESSION OF 1947-48—QUESTION OF NECESSITY FOR PROVINCIAL LEGISLATION

On the orders of the day:

Mr. T. J. Bentley (Swift Current): Will the Minister of Justice inform the house whether it is his intention to give a ruling on the need for provincial legislation to make effective the amendments to the wheat board act passed during the last session, as requested by the then premier of Manitoba?

Hon. Stuart S. Garson (Minister of Justice): The hon. member omitted to give me any notice of the question. I shall try to bring an answer down tomorrow.

IMMIGRATION

REGULATIONS GOVERNING ENTRY INTO CANADA

On the orders of the day:

Mr. Douglas G. Ross (St. Paul's): I should like to ask a question of the Minister of Mines and Resources. I have not given him notice of the question, and I do not apologize for that. It seems to me there is a certain amount of misunderstanding—

Some hon. Members: Question.

Mr. Ross (St. Paul's): —in connection with immigrants coming to Canada. What regulations are there in this regard? I have a great many letters—

Some hon. Members: Question.

Mr. Speaker: Order. The hon. member knows very well that the purpose of a question is to obtain information from the ministry, not to give information.

Mr. Ross (St. Paul's): I could have put my question the other way around, but it is this: Will the minister make a statement on immigration, and give the authority under which the regulations are made? Will he do this in the near future, so that the people of Canada may know more about it? I want an answer.

Hon. J. A. MacKinnon (Minister of Mines and Resources): I shall be glad to look at the question of the hon. member. There will be opportunities for giving the information for which the hon. member has asked. Upon further consideration it may be deemed advisable to make a formal statement, and if that is so I shall do so.

VETERANS AFFAIRS

QUESTION AS TO SALE OF PORTIONS OF LAND PURCHASED UNDER VETERANS LAND ACT

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of Veterans Affairs. Can the minister say whether consideration has been given to allowing veterans, who have bought land under the Veterans Land Act, to sell a portion of the two or more acres before the ten-year period expires which is mentioned in the agreement? If this were allowed it would permit the veteran to pay part of his indebtedness to the government. There are many veterans who need permission to do this.

Hon. Milton F. Gregg (Minister of Veterans Affairs): I can tell the hon. member that consideration has been given to that proposal, but it has not been decided to put it into effect.

TRANS-CANADA HIGHWAY

INQUIRY AS TO CHOICE OF ROUTE THROUGH B.C. MOUNTAIN PASS

On the orders of the day:

Mr. J. H. Matthews (Kootenay East): I should like to direct a question to the Minister of Mines and Resources. I am sorry I was not able to send him notice of my question. Is it true that the central route through Kicking Horse pass has been definitely chosen for the Trans-Canada highway in British Columbia?

Hon. J. A. MacKinnon (Minister of Mines and Resources): I have not heard of it.

WHEAT

PAYMENTS DURING PRESENT CROP YEAR

On the orders of the day:

Mr. H. R. Argue (Wood Mountain): I wish to direct a question to the Minister of Trade and Commerce. Can he inform the house whether or not the twenty-cent advance in the price of wheat will be paid during this crop year, as announced by him and by the

Minister of Agriculture (Mr. Gardiner) at the Alberta and Saskatchewan wheat pool convention last November?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I can speak only for myself. I have not announced a twenty-cent payment on behalf of the wheat pool. I have announced that there will be a payment, and I can say that such payment will be made before seeding of the next crop.

Mr. Argue: According to press reports, the Minister of Agriculture and the Minister of Trade and Commerce announced a twenty-cent increase.

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to ask a question of the Minister of Agriculture, supplementary to the one asked by the hon. member for Wood Mountain (Mr. Argue). Did the minister make an announcement that a twenty-cent payment would be made to the farmers?

Right Hon. J. G. Gardiner (Minister of Agriculture): The hon. member is asking me?

Mr. Coldwell: Yes. Are you not the Minister of Agriculture?

Mr. Rowe: One sows and the other reaps.

Mr. Gardiner: The answer to the question in a word would be no, but I hardly think that would satisfy the curiosity of my hon. friend. The statement which I made, I think on the same day that the Minister of Trade and Commerce spoke in Calgary, was to the effect that an additional payment would be made, and that it would be approximately twenty cents. I might say that I think that suggestion will be carried out when the announcement is finally made.

Mr. Rowe: The ministers should have had a rehearsal.

GANDER AIRPORT

QUESTION AS TO LANDING RIGHTS FOR COMMERCIAL COMPANIES

On the orders of the day:

Hon. Lionel Chevrier (Minister of Transport): Yesterday the leader of the opposition asked my colleague the Secretary of State for External Affairs (Mr. Pearson) a question in connection with facilities at Gander. The question was as follows:

> I should like to know under what authority the information was conveyed about two weeks ago to embassies, ministries or other official offices of those countries in which there are companies which have commercial air operations going through Gander, to the effect that they would not have commercial landing rights at Gander on and after April 1 next.

The reason I am answering the question is that the Secretary of State for External Affairs suggested that I do so, in his absence. The information I have is that no such information was conveyed to the embassies, ministries and the like. The air service operations to the island of Newfoundland are threefold. First, there are the operations of Trans-Canada Air Lines; they are to be continued and perhaps expanded after the union. Then there are the commercial air services other than T.C.A. and Newfoundland has been told that they will be permitted to continue operation without interruption. Finally, there are the international air services which operate through the port of Gander. Those services are performed by international companies enjoying landing rights by virtue of the international air transit agreement, as well as traffic rights, and also by virtue of the bilateral agreements which the United Kingdom government has entered into with other countries and which the government of Newfoundland has also entered into. After union it is the intention of the Canadian government to see that any policy relating to international agreements and the granting of commercial rights in Newfoundland be consistent with policy followed in Canada. Our policy which was adopted in respect of international civil aviation and the granting of commercial traffic rights in Newfoundland must be consistent with the general policy normally followed by the government of Canada. We have already entered into discussions with these countries, with a view to bringing these agreements into line with our Canadian policy. Discussions to this end are now under way.

Mr. George A. Drew (Leader of the Opposition): Perhaps the minister would permit me to clarify the question which is raised by the explanation he has given on the third point. What he has said on the third point is in conformity with the information I have received and which led to the question yesterday, namely, that communications had been conveyed through official channels which indicated the revision of existing commercial landing rights at Gander in Newfoundland as of and after April 1. The statement the minister has made, that these arrangements are to be brought into conformity with existing arrangements in Canada, indicates an important change in the situation which I think should be noted and followed up. I do not intend to pursue the matter now, but the minister will find that the result will be to limit the landing rights of those international carriers to what are described as technical landing rights as distinguished from commercial landing rights. The limitation will

have a profound effect upon transportation in and out of Newfoundland by this means of communication.

NATIONAL FILM BOARD

FILMING OF NATIONAL CAPITAL PLANNING PROJECT

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Prime Minister, following his statement with regard to the national capital project. On what authority has the national film board, as reported in the press, spent $13,000 or $14,000 on filming the capital planning when this planning is not even completed, according to the Prime Minister?

Right Hon. L. S. St. Laurent (Prime Minister): I will look at the hon. member's question and ascertain whether or not there is any foundation for the press reports to which he refers.

NEWFOUNDLAND

TERMS OF UNION WITH CANADA—ADDRESS TO HIS MAJESTY THE KING

The house resumed from Tuesday, February 15, consideration of the motion of Mr. St. Laurent for an address to His Majesty the King respecting the terms of union of Newfoundland with Canada.

Right Hon. W. L. Mackenzie King (Glengarry): I should not like the debate on this resolution to conclude, Mr. Speaker, without saying how greatly pleased and grateful I am to have the opportunity of joining with my fellow members of this House of Commons in the concluding stages of the necessary steps to be taken to bring Newfoundland into confederation. When the resolution is adopted, this House of Commons will have taken, so far as its authority extends, the last necessary step to effect the union of Newfoundland with Canada.

As you, Mr. Speaker, will recall, on Friday afternoon last the Prime Minister indicated that there were some hon. members who would wish to speak on the terms of union but who were not present at the time, and that an opportunity would be given them to speak on this motion. It was the desire, I think, of all who were present that the third reading should be carried on Friday afternoon, and it was so carried, after but one hon. member had spoken.

In my remarks this afternoon, which will be brief, I hope no exception will be taken to my referring to the debate on the terms of union as approved by this house. In other words, I do not wish to be held too strictly to speaking solely on the matter of procedure, which is the one dealt with in the resolution.

I count myself as very fortunate in having had the privilege, as head of the government at the time, of welcoming to Ottawa in the name of Canada the delegation from the national convention of Newfoundland, headed by the Hon. Mr. Bradley, which came to Ottawa to consider and discuss with representatives of our government whether there was a fair and generally acceptable basis for federal union with Canada. The delegation had its first meeting with representatives of our government on June 25, 1947. That was the beginning of the conversations which led to the negotiations that resulted in a basis of union since drafted into an agreement that has met with the approval of hon. members. It was also my privilege to have shared with some of my former colleagues in some of the other proceedings which led up to that agreement.

The basis of union having been firmly established, and the terms of agreement having been approved by this house I should like to take the earliest opportunity of warmly congratulating the Prime Minister (Mr. St. Laurent) and his colleagues, who carried on the subsequent conferences with representatives of Newfoundland, on the successful manner in which they have carried through the negotiations. Their task was not an easy one. It required on all sides a good deal in the way of tact, judgment and patience. It speaks well for the representatives of Newfoundland and the representatives of Canada that in the time at their disposal it was possible for them to reach an agreement which has since commended itself so favourably to hon. members of all parties in this house.

I should like to say a special word about the Prime Minister's contribution to the success of the working out of the terms of the agreement. I happen to know something of the zeal which he showed in upholding the cause of union. From the very beginning he made the cause of union his own. He spared neither time, energy, nor aught of his great abilities in seeking to bring about the happy result which in this house we are rejoicing over today.

May I be permitted, Mr. Speaker, as the oldest member of this House of Commons—I hasten to say, not oldest in years, but in years of membership in this house—to congratulate hon. members collectively on the quality, yes, the excellence of the debate which took place on the terms of union. The debate, naturally, was one of the memorable debates in the annals of our country's history. It is bound to be so regarded, it will be so regarded, since it marks one of the significant milestones in Canada's development. It was

a debate of which Canada's House of Commons may well be proud, a debate in every way worthy of the purpose that it was intended to serve, the high and noble purpose of bringing confederation to its full stature.

May I congratulate hon. members, not only collectively but individually, on having come into the right of being included among members of that distinguished company which is known as the makers of Canada. Every one in this house who assisted in bringing about this union has earned some title to that distinction.

It was all of a century and a quarter ago that one and more of the leading public men in this country began to advocate what was then referred to as a union of all the British-American colonies. It is that union which has been all but brought about at this time. Not only has that result been achieved, but today we have all but succeeded in bringing about what we all I think have had much at heart, namely, the rounding out, in its true proportions, of the Canada we had all hoped to live to see.

I should like particularly this afternoon to speak as a Canadian, as a representative of the people of Canada in this House of Commons. I hope we all remember that we are here not merely as representatives of individual constituencies, but as representatives of the people of Canada as a whole. In speaking as one of such, I should like above all to say how warmly and sincerely all Canada, as at present constituted, will welcome the entrance into confederation of the island province of Newfoundland and how delighted we are at the welcome which we know awaits Newfoundland when, as the tenth province of Canada, she is greeted by her nine sister provinces.

It must be a source of deepest satisfaction to the people of Newfoundland who followed the debate on the terms of union, as it is to the people of Canada, to realize that with respect to each of the essential successive steps in this historic transaction, there has been, with the exception of a single dissenting voice, unanimous approval by the members of Canada's House of Commons. The one dissenting voice has only helped to emphasize the completeness of our unanimity. Nothing could more eloquently express the warmth of the welcome which this House of Commons extends to the people of Newfoundland on becoming a part of Canada. Nothing could more eloquently have expressed the feeling of the people of Canada, as disclosed by their representatives here, than this unanimity. When Newfoundland comes into confederation it will be a day of nation-wide rejoicing, rejoicing over the northern half of an entire continent from sea to sea, rejoicing from the break of dawn on the easternmost shores of the Atlantic, to the last glow of the setting sun on the westernmost shores of the Pacific.

I have desired to say only these few words, Mr. Speaker. I have felt that in the minds of some, the discussion of the last day of two on a matter of procedure may have served to dim the brightness of the achievement itself, the great objective which was reached so splendidly in the course of the debate on the agreement.

There can be no doubt that the union of Newfoundland with Canada will be to the mutual advantage of the peoples of both countries. It will, however, mean more than mere mutual advantage. The talent, the enterprise, the resources which each will contribute to the other will help to strengthen both. What is more, at a time such as the present, it will help to give each of us a greater confidence as we face the uncertainties of the future.

There will undoubtedly be difficulties to be overcome; there will be obstacles to be surmounted; there will be rough places to be made smooth once the union has taken place. Readjustments are always difficult but these are domestic matters which will be as successfully met as similar problems in the past have been met. What, I believe, is most important of all, is the fact that this union, when it comes into being, will be of great mutual advantage not only to Newfoundland and to Canada, but to all countries which, directly or indirectly, are concerned with the maintenance of peace. It will mean more effective co-operation between free nations at this time of great uncertainty in world movements and affairs. It means much to have the most effective co-operation between all of those nations that cherish kindred ideas and ideals and which are anxious to protect their freedom.

Union will be of advantage not only to the provinces which have combined to make a larger Canada, advantages in the way of strength and security. It will be of advantage in particular to other parts of the British commonwealth of nations and to the United States of America in their common efforts at the maintenance of peace. The more that can be brought about in these days by way of effective co-operation between nations which seek to maintain the peace, the better it is going to be for mankind.

It is true that sometimes it takes the small things of the world to confound the strong. It may well be that out of this union of two democracies on the North American continent, this union of forces in no way comparable to some of the great world forces, there may

nevertheless be imparted to other communities some of that strength which will help to preserve the freedom of mankind. May we not all wish and believe that a divine blessing will rest upon such a union.

Mr. Gordon Graydon (Peel): Mr. Speaker, I am sure the wholehearted and genuine applause which greeted the former Prime Minister, the right hon. member for Glengarry (Mr. Mackenzie King), upon his happily chosen words this afternoon, will be an indication to him of that unanimity, to which he referred in his remarks, with which the admirable people of Newfoundland will be welcomed into a great, and perhaps now an even greater, Dominion of Canada.

I have followed the right hon. gentleman in this debate; and, if I may, perhaps I might at this stage follow the procedure he adopted in a debate in 1943 on a somewhat similar matter, which procedure is reported at page 4347 of *Hansard* of July 5 of that year. He said:

> Mr. Speaker, I intend to move at once that this question be now put.

Then the right hon. gentleman proceeds to indicate his authority for moving in that fashion. Basing my motion now upon the same authority as that used by the right hon. member for Glengarry, I desire at this stage to move, seconded by the hon. member for Vancouver South (Mr. Green):

> That the question be now put.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, in rising to speak on the motion placed before the house, I wish to say that I feel sure every member in the house shares the feelings expressed by the right hon. member for Glengarry (Mr. Mackenzie King) toward the people of Newfoundland, and the desire for harmonious union with that ancient colony more recently given the status of a dominion, the future of which is under consideration at this time.

Every speech—or shall I say nearly every speech—made in the debate has indicated the extremely warm feeling of the people of Canada as expressed through their representatives in the House of Commons towards those splendid people, whose background is so closely intertwined with our own. And there has been, almost without exception, a very strong feeling of sentimental attachment toward a people whose association in peace and war has brought to our own people an increasing respect for all that they represent.

Obviously, however, there has been some misunderstanding of certain aspects of the discussion which has taken place in this chamber. The issue which has been under discussion, and in relation to which many members have expressed their opinions, is not the issue of Newfoundland entering into the union of Canadian confederation, or otherwise. The discussion which has been taking place on the main motion is one relating to the procedure by which that association is to be consummated. Any attempt to create the impression that a discussion of the constitutional aspects of this problem is out of place in this debate is not in keeping with the position of this House of Commons, and is not in keeping with a recognition of the fundamental importance of the constitution, not only to the people of Canada, but to the people of Newfoundland who must look to that constitution as their assurance of the validity of the undertakings now given to them. And the very time we should be least willing to tamper with the provisions of our constitution in any way is the time when we extend the hand of friendship to the people of Newfoundland, and say to them, "Here are the terms we offer you; and, as an assurance of the sanctity of those terms, here is the constitution under which we live."

It is so easy to make statements to the effect that a different point of view has been expressed on different occasions. I would suggest to those hon. members who make these loose assertions, more designed for consumption outside than inside the house—

An hon. Member: How well you know it.

Mr. Drew: —that they bear in mind that there has been no more vigorous advocate of the sanctity of our constitution than the right hon. member for Glengarry, who has just spoken.

It was said last night by one hon. member immediately to my left that, after all, there were matters of urgent importance to consider, that we must examine those from the point of view of the welfare of the people of Newfoundland, and that we must not be too concerned with a mere argument as to technical details. This is not the first time discussions have taken place in the house on matters of great importance, and which were of great concern to many people at that time. It will be recalled that during the 1930's there were most urgent reasons for steps being taken to meet the very difficult conditions which arose at that time by reason of the economic storm which swept the whole world. It will be recalled by every member of the house that, in an effort to deal with the conditions which then existed, the Prime Minister of that time, who has been quoted in this debate, placed before the house legislation designed to meet some of these extremely difficult human problems which were causing concern to every thinking Canadian. It will be recalled that the various social security measures put forward by the Prime Minister of that day, the late Lord Bennett, did not

come into effect until some time afterwards, because it was pointed out that there were constitutional reasons why that should not be done, and that, no matter how desirable action of that kind might be, it would be most unwise to create, for the future, a precedent which was established upon a violation of the constitution.

It will be recalled by every member of the house that it was the right hon. member for Glengarry (Mr. Mackenzie King) who, exercising his very proper prerogative as leader of the opposition, pointed out what he regarded as constitutional defects in these extremely important measures which every Canadian knew were to the advantage of Canadians at that time in so far as the purpose was concerned.

Mr. Howe: He did not bring them down.

Mr. Rowe: You were not even here then.

Mr. Howe: I was not around.

Mr. Rowe: That is why you do not understand it.

Mr. Drew: It can always be read in *Hansard*. Those bills dealt with matters of great human concern. No one can plead today, any more than he could plead then, that there were not urgent reasons why this parliament should deal with those matters if it lay within its power to do so. It will be recalled that at that time the argument was put forth that it could be done under the broad reference of peace, order and good government, having relation also to certain undertakings which had been given in the international sphere. During the course of the debate which has taken place about the entry of Newfoundland into confederation with Canada, we have heard that the thing which must be considered here is whether or not this parliament has that measure of supremacy which makes it possible for it to deal with the things which could be done by the representatives of Canada. The argument is not new. In fact it was put forward in support of the measures to which I have referred, and which undoubtedly were measures that were being sought by the people of Canada at that time.

When it is suggested that an unusual practice is indicated when the proposal is made that the provinces should be consulted about amendment of the British North America Act, which unquestionably affects their interests as well as the interests of Newfoundland, may I remind hon. members that in the very discussions to which I have referred the need for consulting the provinces was mentioned, and was emphasized in most vigorous arguments. Perhaps it would be appropriate that I quote certain words spoken by the then leader of the opposition, who is now the right hon. member for Glengarry, because they indicate recognition of this very principle. Granted the subject matter was different, granted that some of the constitutional questions hinged on different points, yet it must be remembered that a proposal had been made that the dominion government deal with the matter by virtue of its overriding powers under the constitution. The argument had been made that this was something which it was essential for the government to deal with, but the proposals were opposed, and this was one of the statements made in the debate. I read, from page 750 of *Hansard* of February 12, 1935, the words of the right hon. member for Glengarry. They are as follows:

> We have all seen, understanding the jurisdiction to be as we all along have believed it to be, that, if a national scheme of unemployment insurance was to be drawn up, it could be done only in one of two ways. One way was by agreement with the provinces whereby they would act within their jurisdiction and the government of Canada would contribute grants in aid, as has been done in the case of old age pensions; the other way was by amending the British North America Act in a manner that would enable this federal parliament alone to deal with the question. We always said that a conference with the provinces, if properly carried on, would enable us to reach agreement on an amendment of the British North America Act, but five years have been lost in the holding of any conference of the kind. I say here that we will yet discover that such a conference must take place.

May I remind the members that I am quoting from the words of the right hon. member for Glengarry.

> I say here that we will yet discover that such a conference must take place; we will yet discover, before any legislation of this character comes within the jurisdiction of the federal government, that it will have to be by the path of some conference between the dominion and the provinces, and through agreement reached as a result thereof.

Mr. Martin: Was that the unemployment insurance debate?

Mr. Drew: On February 12, 1935.

Mr. Martin: The unemployment insurance measure?

Mr. Drew: I have given the page reference, page 750 of *Hansard* of that date. As the members will recall, the provinces were subsequently consulted, and as a result of that consultation, agreement and understanding, the amendment to the British North America Act, providing that the dominion parliament could deal with unemployment insurance, was duly advanced in the ordinary way. Surely no one will question the fact that the subject matter of the discussion on that occasion was a matter of vital concern to Canada, and to the people of Canada.

Mr. Mackenzie King: If I may interrupt my hon. friend on the essential point of what he is discussing, is it not that the matter he refers to was one which belonged to the provinces and could not be dealt with by the federal government without agreement by the provinces?

Mr. Drew: Yes, but I think perhaps the right hon. member for Glengarry may not have been here when I pointed out that there is nothing in the British North America Act which draws a distinction between those cases where the interests of the provinces are involved and where they are not, where it is within the exclusive jurisdiction and where it may not be. Never yet has there been any settlement as to where the borderline is; and one of the things under consideration for some time, which was actually discussed at the meetings of the dominion-provincial conference which began here in Ottawa on August 6, 1945, was the desirability of establishing a clear division of responsibility, a clear division of legislative and administrative authority, and also finding a way in which we could actually deal with our own constitution without any uncertainty as to how it was to be done.

In this case we have before us a matter that does involve an amendment to the British North America Act. Any suggestion that it does not involve such an amendment has been disposed of by certain statements made by hon. members on the opposite side.

Mr. St. Laurent: I am sorry to have to intervene, Mr. Speaker, but on a point of order I think I owe it to the house, having the responsibility of leadership in the house, to point out that it is the rule that a matter which has been decided by the house cannot be debated again during the same session. The question whether or not the provinces should be consulted in respect of this matter was debated during two days and was determined yesterday by a rather decisive vote. Though it is always most interesting to hear the leader of the opposition (Mr. Drew) on these matters, I do not think it is in order to hear him again on the matter which was decided last evening.

Some hon. Members: Question.

Mr. Drew: Mr. Speaker, I am not going to debate the point that has been raised. I am speaking on the motion, and I will be happy to furnish the Prime Minister (Mr. St. Laurent) with the best authority I have seen on the right of an hon. member to debate a motion of this kind, since the matter was in fact discussed by Sir Wilfrid Laurier and is provided for in the rules of this house. But I am not going to argue the point because I want to proceed with the main motion, following the remarks I have made.

Mr. St. Laurent: I am not challenging the right of the hon. gentleman to debate the motion that the question be now put. I am challenging the right of the hon. member, in debating that motion, to raise issues that were decided by the vote of last evening.

Mr. Drew: I have no intention of debating the point raised by the Prime Minister because, very conveniently, he raised the point exactly at the time I had finished my remarks in that respect.

Mr. St. Laurent: I should like a ruling on my point of order.

Mr. Deputy Speaker: The Prime Minister has brought to my attention the fact that last evening the question whether this matter should be referred to the provinces was decided. In view of that, under the rules of the house that point is not again debatable.

Mr. Drew: As I indicated, Mr. Speaker, I intend to proceed with a discussion of the remarks that have been made and of the main motion.

Mr. Fournier (Hull): You have spoken already on the main motion.

Mr. Drew: Or rather with the motion with which we are dealing.

Some hon. Members: Question.

Mr. Deputy Speaker: Order. Under the rules of the house an hon. member who has already spoken on the main motion may speak on the motion now before the house.

Mr. Drew: As was indicated earlier, and as I have already indicated this afternoon, there is almost complete if not complete unanimity in the desire to bring Newfoundland into Canada under terms that will be acceptable to that country and that will maintain harmony and good will in that new part of Canada in the years that lie ahead. As has been pointed out on many occasions however, we in this house have a responsibility to make sure that the course we follow is in keeping with our own practice and our own constitution, and that it produces no precedents which may endanger the sanctity of that constitution; and also that we do nothing to weaken respect for our constitution on the part of those whom we intend to welcome as members of the Canadian federation. I have already quoted the words of the right hon. member for Glengarry (Mr. Mackenzie King)—

Some hon. Members: Order.

Mr. Drew: —indicating the necessity of recognizing the importance of that constitution; and I am pointing out now that the debate which has been going on in this house has related to constitutional procedure, that we have already dealt with the principle involved, and that this is not what is now before us. We have stated our position clearly. We have made it plain that there is a way to deal with this matter which does not violate the constitution.

Some hon. Members: Order.

Mr. Drew: We want to welcome Newfoundland into Canada on terms that will preserve harmony, good will and unity in the coming years. We do not want them coming in by the back door; we want them coming through the front door as friends welcomed into the Canadian family.

Therefore, Mr. Speaker, I wish to make it clear that, recognizing the importance of the principle involved, and insisting that the constitution be respected, it is our intention to vote against this improper procedure which is now before us.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I was hoping that the remarks of the right hon. member for Glengarry (Mr. Mackenzie King) would conclude the debate on a high tone and with unanimity; but I regret that we have now had a discussion, entirely out of order, dealing with matters which were voted upon and disposed of last evening. You know, there are some people who think of constitutions when it suits their convenience. There are constitutions that govern the relationships of the various parts of a country; there are constitutions that govern bodies of men and women elected to public office. We have in this house a constitution which lays down certain rules of procedure; and if we are going to respect constitutions generally I think all of us should set an example by observing the constitution of this house; for example is much better than precept.

In the debate last night we disposed of certain aspects of the constitution. When the hon. leader of the opposition was speaking, I was tempted to have something further to say about the attitude of the early fathers of confederation, and particularly Sir John A. Macdonald. Since that is not permitted by the rules of the house, I am not going to do so. I am not going to repeat what I said before about the entry of Newfoundland into confederation. It is a great event in our Canadian history. As the right hon. member for Glengarry (Mr. Mackenzie King) said a few moments ago in a few well chosen words, it rounds out this great confederation.

One hundred and twenty-five years ago we were a few scattered colonies in British North America; today we are united, and I hope permanently united, people. We are not stretched in scattered communities across this continent, but welded together as a great, powerful, influential and prosperous nation. If we are going to preserve that nation, there are in relation to our constitution some matters that we should be considering at the present time. During the course of this debate, we have heard so much about the constitution. We like to think our constitution preserves freedom of speech. I am afraid that, in some parts of Canada today, freedom of speech has been threatened from time to time.

Equally important with some of the aspects of the constitution that have been discussed within the last few days is freedom of worship according to the dictates of one's conscience; freedom to associate in our religious organizations; freedom to express ourselves through press and radio. At this time I mention those three particularly because I have been reading the newspapers. I have read that the allies of my hon. friends of the Conservative party are undermining all three of those freedoms. Only this morning I read in my hon. friends' newspaper, the Montreal *Gazette*, that the leader of L'Union Nationale, Mr. Duplessis, in the province of Quebec had advised retail merchants to exert pressure upon the newspapers to prevent a certain kind of publicity in that province. I say, Mr. Speaker, that that kind of thing reinforces what the leader of the opposition said in 1936, that there was a growing fascism in the province of Quebec. This undermining is done by the ally of my hon. friends.

If we are going to guard the great heritage given to us by the fathers of confederation, we have to have the right to promote the development of our individual cultures. I do not think there is anyone in this house who would gainsay the fact that at the very root—

An hon. Member: You do not know.

Mr. Coldwell: Someone says I do not know; that might be said of some of the people about whom I am talking this afternoon. There is no one in this house who should fail to recognize that the very foundation of this country lies upon the recognition of the right to divers cultures. We want to see that that right is adequately protected in our country's constitution. We want protection of the right to maintain those things given to the provinces under section 92 of the British North America Act; the right to maintain those social welfare services and responsibilities attached particularly to family life.

May I say, Mr. Speaker, that if we are going to build the kind of nation we wish Canada to be, then those problems that are of national importance can be dealt with

only on a national scale. In order that all our people shall have an equal opportunity, such matters must be placed more under the control of this parliament; that is not centralization.

Mr. Fleming: It certainly is.

Mr. Coldwell: It is common sense. Today we have no national health program.

Mr. Martin: Oh, yes, we have.

Mr. Coldwell: No.

Mr. Fraser: You should not kick your bedfellow.

Mr. Coldwell: We have no national health program comparable to those which exist in other civilized and progressive countries. True, some foundation may have been laid by the health grants, but those health grants are a long way from the kind of national health program this country needs at the present time.

We need a national marketing system. The predecessors of my hon. friends to the right, the Progressive Conservatives, enacted such a a bill in 1935. It was declared ultra vires of this parliament. We need national social security. Those are policies we need and they should be the constitutional right of Canadian citizens; the right to security, life, liberty and happiness from the cradle to the grave.

So I say that, when we are thinking of the entry of Newfoundland into this confederation, I hope it will highlight some of these problems which are as much constitutional problems as those other factors which have been debated in this house during the past two or three days. On behalf of my colleagues and myself, I should like to say we welcome the people of Newfoundland. They have a remarkable history. I am not going over their history again because I mentioned some of its interesting features when this matter was introduced in the house. They are the descendants of hardy fisherfolk, in the main; descendants of the people who braved the storms of the Atlantic and settled on the island to the east of us against great odds, discouragements and preventions. Today I wanted to mention some considerations which we must keep in mind if we are to make Canada great, not geographically, but in humanity, in progress and in welfare. We must keep these basic conditions in mind if we want to build a great country which will be an example to the rest of the world. Let us hope that, when Newfoundland is gathered into the family of Canadian provinces, we may go forward with renewed courage and renewed hope to a healthier, happier and more secure Canadian nation.

(Translation):

Mr. Frederic Dorion (Charlevoix-Saguenay): In view of certain remarks that have just been made, I feel bound to add a few words.

I had not intended to participate in this debate, but I believe it behooves me to do so, on account of some remarks which the hon. member for Rosetown-Biggar (Mr. Coldwell) has just made. Even if this debate has only served to reveal the stand of our public men with regard to certain ideologies which are now spreading across Canada, I must say that it has had a good result.

Even though the leader of the C.C.F. should make a show of fighting communism, as he has claimed he was doing these last few days, even though he should tell us to protect ourselves against communism, it is well that we should know where he stands. It is edifying to see him take the defence of communism as he has just done by his remarks on the province of Quebec.

I am proud of the fact that the present government of the province of Quebec has set an example to the whole world in the fight it is now waging against communism, against the subversive ideologies of this day; and if governments had followed the same course in Hungary, in Czechoslovakia, in Poland and in Roumania, we would not have to lament what is now taking place, we would not have to lament the scandalous persecutions which we are now witnessing.

It is well, Mr. Speaker, that we should know what direction our political men are taking, and who are their supporters and friends; and I am glad that this debate has been initiated this afternoon, because it has given us the opportunity of ascertaining where the friends of communists are to be found.

(Text):

Mr. Jean-François Pouliot (Temiscouata): I rise on a point of order, Mr. Speaker. The point of order is my contention that it is impossible to adopt the main motion now since it contains a statement which is not true. I mention one in particular. Before that, there were joint motions from the House of Commons and the Senate. At the present time the motion is submitted to both houses. In the motion I read the following paragraph:

> And whereas the agreement containing terms of union between Canada and Newfoundland set out in the schedule to this act has been duly approved by the parliament of Canada and by the government of Newfoundland;

I do not know whether the government of Newfoundland has approved it. It may have done so. But the parliament of Canada has not yet approved it. The Senate is still at it. Although this is the last stage of discussion

in the House of Commons, I do not see how we can adopt the motion without an amendment to the effect that it has not yet been adopted by the Senate. The wording of the motion is wrong. If we vote in favour of that motion, we approve a procedure which has not been rightly drafted. My point of order is that the motion should be amended accordingly or the debate should be adjourned until the Senate has passed the bill in all stages.

Mr. St. Laurent: Speaking to the point of order, I would invite the hon. member to read the resolution. It is a resolution that a petition be presented jointly by the two houses of parliament. The hon. member can have the assurance that the petition will not be presented until parliament has finally disposed of the bill; and when it is presented it will be true that parliament will have approved the measure in question.

I take it that I am concluding the debate. I would not want to go on at this point if there are other members who wish to speak.

Mr. Knowles: On a point of order, certainly I do not wish to speak, but if the Prime Minister speaks now he is speaking to the previous question which was moved by the hon. member for Peel (Mr. Graydon). He can speak again later on.

Mr. St. Laurent: The previous question prevents any amendment of the main motion. The previous question having been moved, nothing else can be decided but the main motion. There does not have to be a previous decision on the previous question. The moving of the previous question prevents any other matter but the main motion being put to the house. All those who are entitled to speak on the main motion may of course do so now. If there are others who wish to speak, I will not do so at this moment, because I would be closing the debate.

Mr. Graydon: I am not sure, Mr. Speaker, that the Prime Minister has fully appreciated the point that is involved here. The debate to which I referred when I was moving the motion in the original instance, that is, on July 5, 1943, bears out, I think, my understanding that the motion then was on all fours with this, both as to the substance of the resolution and as to the procedure. I think the Prime Minister will readily see that there are two matters to be disposed of. One is the motion I made, seconded by the hon. member for Vancouver South (Mr. Green), that the question be now put. If the Prime Minister will turn to page 4367 of *Hansard* of July 5, 1943, he will find that the first motion put there was the motion of the right hon. member for Glengarry, then Prime Minister, who moved at that time that the question be now put. That motion was then decided by a vote of the house. When that motion had been disposed of, the Speaker then said, "The question is on the main motion", which was the motion moved by the then Minister of Justice, now Prime Minister; and upon that motion the house decided. But there were two different motions which had to be disposed of by the house, by means of a vote or otherwise.

Mr. St. Laurent: The whole of the debate must take place before either of the motions is put. When the motion "that the question be now put" has been affirmed, it is immediately put.

Mr. Knowles: But it might be defeated.

Mr. St. Laurent: If it is defeated, of course the debate goes on.

Mr. Graydon: That is right.

Mr. St. Laurent: But if it is agreed to, the question is immediately put. If I have anything to say on the main motion, I must say it now; otherwise, in the event of the previous question being adopted by the house, I would be deprived of my right of saying it.

Mr. Graydon: That is quite right.

Mr. St. Laurent: On the main motion, I merely wish to make two short points. The first is that should the attitude announced by the leader of the opposition be the attitude of the house—that is to say, that this motion be rejected—that would mean that there would be no union of Newfoundland with Canada on the terms that have been approved by this house.

Mr. Rowe: Not necessarily.

Mr. St. Laurent: Yes, it would; because, unless there is a petition, there cannot be a bill in the parliament of the United Kingdom. And unless there is a bill in the parliament of the United Kingdom, receiving the royal assent before March 31, 1949, all the work that has been done up to this time falls by the wayside and must be started over again. The second point I wish to make is this. I would ask Mr. Speaker, when putting the main motion, to call for the yeas and nays so that all members of this house, on this historic occasion, may have the privilege of standing up and letting their fellow members in this house and their fellow Canadians know what their position is.

Mr. Speaker: The question before the house is the motion moved by the hon. member for Peel (Mr. Graydon) and seconded by the hon.

Newfoundland

member for Vancouver South (Mr. Green), that the question be now put. Is it the pleasure of the house to adopt the motion?

Motion agreed to.

Mr. Speaker: Is the house ready for the motion of the Prime Minister?

Some hon. Members: Question.

The house divided on the main motion (Mr. St. Laurent) which was agreed to on the following division:

YEAS

Messrs:

Abbott
Archibald
Argue
Arsenault
Baker
Beaudoin
Beaudry
Belzile
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blanchette
Boivin
Bonnier
Boucher
Bourget
Bradette
Breithaupt
Brunelle
Bryce
Burton
Campbell
Castleden
Chevrier
Clark
Claxton
Cleaver
Cloutier
Coldwell
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Croll
Cruickshank
Demers
Denis
Dickey
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Emmerson
Eudes
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gardiner
Gariépy
Garson
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gillis
Gingues
Gladstone
Golding
Gour (Russell)
Grant
Gregg
Hallé
Harris (Grey-Bruce)
Hartt
Healy
Herridge
Howe
Irvine
Isnor
Jaenicke
Jean
Jones
Jutras
King, Mackenzie
Kirk
Knight
Knowles
Lafontaine
Langlois
Lapointe
Laurendeau
Leger
Lesage
Little
McCann
McCuaig
McCubbin
McCulloch (Pictou)
McCullough (Assiniboia)
Macdonald (Brantford City)
McGarry
McIlraith
MacInnis
McIvor
McKay
MacKinnon
MacLean
MacNaught
Maloney
Marier
Marquis
Martin
Matthews (Brandon)
Matthews (Kootenay East)
Maybank
Mayhew
Mitchell
Moore
Mullins
Mutch
Nicholson
Nixon
Parent
Picard
Pinard
Power
Probe
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Robinson (Simcoe East)
St. Laurent
Sinclair
Sinnott
Smith (York North)
Stewart (Winnipeg North)
Stuart (Charlotte)
Strum, Mrs.
Thatcher
Townley-Smith
Tremblay
Viau
Warren
Weir
Whitman
Williams
Wright
Young
Zaplitny—140.

NAYS

Messrs:

Adamson
Ashby
Aylesworth
Barrett
Black (Cumberland)
Black (Yukon)
Blackmore
Blair
Bracken
Bradshaw
Brooks
Cardiff
Case
Casselman
Charlton
Church
Cockeram
Coyle
Daniel
Desmond
Diefenbaker
Dorion
Drew
Drope
Fair
Ferguson
Fleming
Fraser
Fulton
Graydon
Green
Hackett
Hamel
Hansell
Harkness
Harris (Danforth)
Hazen
Hlynka
Hodgson
Jackman
Johnston
Kidd
Kuhl
LaCroix
Lennard
Lockhart
Low
McLure
McMaster
MacNicol
Manross
Marshall
Menary
Merritt
Miller
Murphy
Nowlan
Pearkes
Pouliot
Quelch
Robinson (Bruce)
Ross (St. Paul's)
Ross (Souris)
Rowe
Shaw
Skey
Smith (Calgary West)
Stephenson
Stokes
Timmins
Tustin
Webb
White (Hastings-Peterborough)
White (Middlesex East)
—74.

Whereupon the members rose and sang

O Canada

and

God Save the King

Mr. Stanfield: I was paired with the Minister of Reconstruction and Supply (Mr. Winters). Had I voted I would have voted against the motion.

(Translation):

Mr. Raymond (Beauharnois-Laprairie): Mr. Speaker, I was paired with the hon. member for Outremont (Mr. Rinfret). Had I voted, I would have voted against the motion.

Mr. Gagnon: Mr. Speaker, I was paired with the hon. member for Terrebonne (Mr. Bertrand). Had I voted, I would have voted against the motion.

(Text):

STATUTE LAW AMENDMENT

AMENDMENTS TO IMPLEMENT TERMS OF UNION OF NEWFOUNDLAND WITH CANADA

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 12, to amend the statute law.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

Sections 1 to 5 inclusive agreed to.

On section 6—*Civil Service Superannuation Act.*

Mr. Knowles: May this section stand until the Minister of Finance returns?

Section 6 stands.

Sections 7 to 12 inclusive agreed to.

On section 13—*Maritime Freight Rates Act.*

Mr. Nowlan: I think it is desirable that the Minister of Transport should make a statement with respect to the incidence of the Maritime Freight Rates Act as far as Newfoundland is concerned. I do not know whether he wishes to do that now or whether the section should stand until some other time. I am particularly concerned with the Maritime Freight Rates Act in so far as water carriage is concerned.

Mr. Chevrier: The section is clearly indicative of the intention of the agreement, namely, that the advantages that are contained in the Maritime Freight Rates Act should be made applicable to the province of Newfoundland. In the previous debate I dealt with the freight rates structure at some length, and I do not think it is necessary that I should repeat everything I said on that occasion, except to say that the freight rates structure of the maritime provinces will be made applicable to the province of Newfoundland. I take it that in due course the Canadian National Railways will file tariffs and tolls with the Board of Transport Commissioners for Canada on the basis of the structure in the maritime region. It will then be open for anyone who feels that he has been discriminated against to make an application to the board.

I doubt very much if there will be any applications of that kind, because I am informed that the tariffs of tolls in Newfoundland are substantially higher than those in the maritime region. The other evening I was unable to say what the percentage was, nor would I like to venture a guess at this stage, but there is a substantial difference. Section 13 will give the same benefits and the same advantages to the Newfoundland railway that the Canadian National and other railways now enjoy under the Maritime

Freight Rates Act in the select region, and that will come into effect upon entrustment to the Canadian National Railways of the lines they will operate in the new province of Newfoundland.

Mr. Nowlan: The section as drafted refers specifically to trade moving from Port aux Basques to Sydney and from Sydney to Port aux Basques. As the minister knows, there are other ports in the maritimes through which such traffic moves. I am looking for information, but I believe that under the Maritime Freight Rates Act as it applies today freight going through the port of Halifax for export, for instance, moving all the way over the Canadian Pacific railway to Halifax, we will say, does enjoy a preference under the present act. I think I am correct in saying that once Newfoundland becomes a province of Canada, goods moving from Halifax to Newfoundland would not be going for export; it would be an internal movement within our own country. It just occurs to me on casually reading this section, and I would like the minister to clear it up, that the Maritime Freight Rates Act will not apply to freight moving over the Canadian Pacific railway to Halifax and then being transshiped by water to St. John's. The minister has the figures and I have not had a chance to check them, but I would suspect that if there is not more freight moving from Halifax to St. John's by water than is moving from Sydney to Port aux Basques, at least there is a very substantial amount of freight going that way. I should like to know particularly whether the furtherance rate will apply to goods moving over the C.P.R. to Halifax, for instance, going up the valley over the D.A.R. and then shipped from Halifax to St. John's, or will it have to move over the Canadian National system only? If that is the case I suggest that this section should be allowed to stand until it can be carefully studied.

Mr. Chevrier: I am sure the hon. gentleman does not want me to enter upon a discussion of particular rates. That is a technical matter I would not attempt to deal with, because I think it is a matter for experts. If he wishes I can obtain the information he desires, though I do not think the question he puts can be answered except by application to the board. I would say, however, that the position as far as the maritime provinces are concerned is not in any way changed or affected by this act, and the island of Newfoundland is being brought within the purview of the Maritime Freight Rates Act. Beyond that I am sure my hon. friend would not expect me to go at this time.

Mr. Isnor: I want to support the thought expressed by the hon. member for Digby-Annapolis-Kings. As he has said, a large

amount of freight from the west is shipped from the port of Halifax for export. What he has in mind and what I have in mind is whether that export freight rate will apply to shipments for continuous routing through to Newfoundland. Section 31 of the act, as I recall it, only mentions North Sydney. We feel, of course, that Halifax, Pictou and other ports similarly situated should enjoy that preference also.

Mr. Chevrier: I am afraid I cannot add anything to what I said a moment ago.

Mr. St. Laurent: I participated in the discussion of this matter. This is something which will have to be considered and dealt with by the board of transport commissioners when they deal with the tariffs. Technically goods now shipped from a point in Canada to Newfoundland are exported. When Newfoundland becomes part of Canada those goods will not be exported. The board of transport commissioners will have to consider the appropriate tariff to apply to goods moving from points in what is now Canada to points in what is now Newfoundland, so as not to disturb present trade relations. This matter was fully gone into with the representatives of Newfoundland, who were also quite concerned about it, and the best we could tell them was that the board of transport commissioners would have to take that into account. The rates might be the same or might be lower than export rates, but technically they would not be export rates.

Mr. Nowlan: As the Prime Minister says, this is a matter for the board of transport commissioners, who will have to fix a rate in view of the changed circumstances. If my suggestion or my thought—I am not saying it is more than that—is correct, and the Maritime Freight Rates Act will apply only to goods going from Sydney to Port aux Basques, whatever rate may be fixed by the board of transport commissioners on goods going through Halifax, the freight moving the other way will get the advantage of the twenty per cent reduction, as compared to goods moving over the C.P.R. through Halifax. So I would suggest that this matter be allowed to stand.

Mr. St. Laurent: That is something also which was carefully discussed with the representatives of Newfoundland, and they were told that all these matters would have to be taken into consideration by the transport commissioners. What is provided is that this connection to Port aux Basques is a part of the railway rate, but the maritime rate will apply within Newfoundland. It does not apply now to the traffic carried by water from Halifax to any point in Newfoundland; but in determining what will be proper rates to charge for rail movement the board will have to take all appropriate factors into consideration. The delegates from Newfoundland finally were satisfied with this position: that we do not want to have things happen which will interfere with the economy of Newfoundland, and we do not want things to happen which will interfere with the usual trading practices of the maritime provinces. We hope that instead of there being interference there will be promotion of trade relations, and that is something with which the board of transport commissioners will have to deal. Of course they have no jurisdiction with respect to water rates, and they will have to take into account what the water rates are in fixing tariffs for goods that will be apt to move by water out of the port of Halifax after having been carried by rail from some other point in Canada.

Mr. Nowlan: This section states specifically that as far as traffic between North Sydney and Port aux Basques is concerned it shall be treated as rail traffic. I quite agree with what the right hon. Prime Minister has said. I am sure it is fair to Newfoundland and may be fair to everyone else, but frankly my particular concern is for the people who were not consulted in this connection, the people who operate and serve the Canadian Pacific railway and the Dominion Atlantic railway, who now obtain employment because of the movement of goods through Halifax on their way to Newfoundland. I am afraid this amendment as drafted, and I think perhaps narrowly drafted, will give the advantage in such traffic to the Canadian National Railways.

I am suggesting, sir, this matter should be further considered and the section should be widened so as to make sure it gives to the Canadian Pacific Railway, and to goods emanating from the port of Halifax, the same advantage as that enjoyed by goods moving over the Canadian National Railways through the port of Sydney.

Mr. St. Laurent: As I understand the hon. member's suggestion, it is that something should be done with respect to water-borne traffic carried out of the port of Saint John. This cannot be dealt with under this arrangement. According to this section, the Canadian government undertakes to provide water transportation between Sydney and Port aux Basques. The undertaking is that such transportation will be treated as if it were part of a rail haul. Neither the Canadian government nor the Canadian National Railways can make the operators of those ships plying

between Halifax and other maritime ports part of the railway system. They are private enterprisers and they make their freight rates on a competitive basis. Whatever those rates might be, they will be taken into account by the board of transport commissioners in fixing the rates over which they have jurisdiction, that is, the rail freight rate.

Mr. Nowlan: The Prime Minister has misunderstood me. I realize that neither this house nor the board of transport commissioners has jurisdiction over water rates. My argument is that at the present time goods moving by rail to Halifax for export to St. John's enjoy the benefit of the Maritime Freight Rates Act. As this section is drafted, Newfoundland ceases to become an export point and becomes a local point. That rate is therefore lost on goods moving through Halifax over the gulf. Shippers will have to pay an additional rate on goods moving through Halifax and will therefore not use that port.

An hon. Member: Let the section stand.

Mr. St. Laurent: There is no point in having it stand. It is a matter that has to be decided. It has been considered and an arrangement made in accordance with the section as it is drawn. It is part of the agreement that water transportation between Sydney and Port aux Basques will be on the same basis as if it were a rail operation; that is the agreement. There is a suggestion here that something else be done. We cannot prevent what may happen, in fact. After the union is accomplished, goods moving out of Halifax to Newfoundland will not be exported goods. By law, we cannot make it otherwise. It will be proper for the board of transport commissioners to take that into account in dealing with the rates. I do not think we can go beyond that.

Mr. Isnor: It is not a matter of freight rates, but rather the principle by which we were given certain privileges under the Maritime Freight Rates Act. We are now asking, and we are much concerned about it, whether this arrangement will be interfered with in so far as Halifax and Nova Scotia are concerned? In other words, will we lose anything by this arrangement?

Mr. St. Laurent: I hope you will not. You are not intended to lose anything. I do not know how the people of Newfoundland are going to have their traffic directed. It may be that this advantage of having the water transportation between Sydney and Port aux Basques treated as rail transportation will cause some of them to ship their goods that way. I do not think we can prevent that. I would not imagine it would be done to an extent that would interfere with the usual trading operations that go through the port of Halifax.

Mr. Isnor: Will it interfere with the benefits we now enjoy? That is what we want to know.

Mr. St. Laurent: I hope it will not, but that will depend, I suppose, on what the shippers and consumers do in routing their freight.

Mr. Hackett: I should like to ask the Prime Minister whether there is anything in the act or in the agreement which anticipates the purchase of the railway in Newfoundland by the Canadian National?

Mr. St. Laurent: No. The agreement is that the railway becomes vested in the Canadian government without any other payment than the assumption of that portion of the existing debt of Newfoundland which is provided for in the agreement. The railway itself becomes vested in the Canadian government without any other agreement or contract being required than the terms of the agreement.

Mr. Hackett: Are there no liabilities which affect the railroad specifically, or are those liabilities just part of the debt of Newfoundland?

Mr. St. Laurent: There are, I understand, some liabilities in the form of equipment bonds. Of course, they come to the Canadian government with the liens attached thereto.

Mr. Nowlan: I think some more information ought to be forthcoming on this section. If we cannot get it, I will ask that the section stand.

Mr. Bracken: I think it would be of help to the member for Digby-Annapolis-Kings, as well as to other members of the house, if the Prime Minister could answer this question or give us assurance on this point: Is there anything in this agreement which prejudices the position of Halifax as compared with Sydney in the matter of business going through those ports respectively? Is there anything that is disadvantageous to Halifax as a result of this agreement?

Mr. St. Laurent: There was no suggestion that there was anything that would prejudice Halifax. I cannot say whether the provision in the agreement, that the water transportation between Sydney and Port aux Basques shall be considered as part of the through railway rate, would create a preference for that route over any other route. That is something about which I am not in a position to give any information. Through traffic moving by rail and having to take this jump across the water will be treated on the same basis as

if that mileage were part of the railway haul. I do not know whether or not that creates a situation which would make the route more attractive than the route through Halifax.

Mr. Bracken: I have only this to say: If, as a result of this agreement, the position of Halifax were worsened, I can see the reason for opposing what now appears in this clause of the bill.

Mr. Gillis: I had not intended to say anything, Mr. Chairman, but I think the question asked by the hon. member for Neepawa requires an answer. I do not think the Prime Minister's answer was a full one. The request made by the member for Digby-Annapolis-Kings and the member for Halifax could cut both ways.

As I understand, we are now amending the statutes of Canada to give effect to the decision we have already made to bring Newfoundland into confederation under the circumstances and conditions now prevailing. The Maritime Freight Rates Act applies on the Canadian National railway down to Sydney, where the national railway ends. As I understand the agreement, it would place that 96-mile water haul across the gulf under the provisions of the Maritime Freight Rates Act. Many Canadians think of Halifax as the most easterly part of this country. In considering this proposal that all freight moving through Halifax to Newfoundland by water be considered as a rail haul, the board of transport commissioners will be considering something new. It is a matter which will have to be decided. If it is to be brought under the Maritime Freight Rates Act, it will prejudice the port of Halifax as compared with the rail haul to Sydney. That is not so at the present time.

The exporters ship out under their own arrangements. The Maritime Freight Rates Act was established to take care of the disabilities suffered in Nova Scotia as a result of inadequate rail service. I want the Prime Minister to consider this matter carefully when he is presenting it to the board of transport commissioners, to include water shipment from Halifax under the Maritime Freight Rates Act and put it on all fours. It is not being done now.

Mr. St. Laurent: No.

Mr. Gillis: The Prime Minister says it will be considered?

Mr. St. Laurent: Yes.

Mr. Gillis: If it is considered and it is established in this way, what will happen is this. Anyone shipping from Ontario or Quebec to Newfoundland will certainly not ship from the port of Halifax because of the long. decrepit and outmoded railroad from Halifax to Sydney. It certainly is not reasonable to put freight on a train that takes fourteen hours to go approximately three hundred miles, then take it off the train, put it on the boat and ship it across that gulf. It means that practically everything shipped from this end of the country will be shipped by water to Newfoundland through the port of Halifax. I am not blaming the two hon. members for arguing for that kind of arrangement. They live in that part of the country. At the same time, it is my responsibility here to see that nothing is done that will prejudice the end of the country in which I live. The people living there suffer under sufficient disabilities at the present time.

Mr. Isnor: The hon. member for Digby-Annapolis-Kings made the point that a subsidiary company of the Canadian Pacific Railway runs through the Annapolis valley. That does not go beyond the port of Halifax. The Dominion Atlantic railway runs from Yarmouth through to Halifax. It is about the shipments from the valley that the hon. member is particularly concerned; and naturally, when they reach the port of Halifax, I am concerned about them because of the pleasant relationships which have existed between the shippers in Newfoundland and in Nova Scotia. I want to see the continuation of those pleasant business relations. That is the point I am particularly concerned about. I want to know whether we in the western section of the Annapolis valley and the port of Halifax will lose anything by the arrangement under this particular section.

Mr. Dickey: The effect of this section, as I read it, is simply to extend the benefits of the Maritime Freight Rates Act to the new province of Newfoundland, including the water haul from North Sydney to Port aux Basques. As I see it, there is nothing in this section which affects the application of the Maritime Freight Rates Act within the maritime provinces.

As I said in the house the other day, the great bulk of the freight traffic from Canada to what is presently Newfoundland passes through the port of Halifax. As the hon. member for Digby-Annapolis-Kings points out, on the rail haul from the point of origin in Canada to the port of Halifax, that freight is now under export rate fixed by the board of transport commissioners. The board still has the authority to deal with that rate after the union of Newfoundland is completed. It will not and cannot be an export rate, but it will still have to be decided by the board of transport commissioners on some basis or other. The basis upon which it will be necessary for them to decide it is, I submit, the

application to that rate of the Maritime Freight Rates Act, which is, and will remain, in effect in respect of the maritime provinces.

In the second place, it will be a competitive rate. It will have to compete with the rate, whatever it will be, between the same point in Canada and St. John's or any other terminal point in Newfoundland which will be fixed for the route Port aux Basques-Sydney.

That is nothing new. We have competitive rates all over this country. Competitive rates are now in effect between points of origin in central Canada and Halifax, competing with water rates from Montreal to Halifax. It is true that those are only seasonal rates, but they are competitive rates and they are fixed on a basis of comparison. As I see it, the situation will be that the Canadian Pacific Railway, the Dominion Atlantic Railway and the Canadian National Railways will have to make application to the board of transport commissioners to have a competitive rate set. In view of the long rail haul between Port aux Basques and St. John's, the competitive position, having regard to the port of Halifax, should be extremely good. I am sure the rate which the railways will be able to propose to the board of transport commissioners will be such that the port of Halifax not only will not be discriminated against but will get its full share of advantage from the increase in traffic which will come about after the union of Canada and Newfoundland; and if the position of Halifax is in any way discriminated against, we will certainly be able to deal with it at that time.

Mr. Nowlan: I should like to refer the committee to the agreement itself. Paragraph 3 of section 32 reads:

> All legislation of the parliament of Canada providing for special rates on traffic moving within, into, or out of, the maritime region will, as far as appropriate, be made applicable to the island of Newfoundland.

At the present time we have a Maritime Freight Rates Act which applies to traffic going through Halifax or traffic going through Sydney. I am suggesting that, by the statute which is before us, that act will not apply to traffic through Halifax. I am not concerned about the competitive rates referred to a moment ago by the hon. member. I am just concerned about the Maritime Freight Rates Act itself. Will the Prime Minister assure this committee that the Maritime Freight Rates Act will apply under this legislation, and that, if it does not, he will see that the necessary changes are made whereby we can still maintain the benefits of the Maritime Freight Rates Act for goods passing through Halifax over the C.P.R.? If he gives that assurance, I am certainly prepared to accept it, as I am sure everyone else will be. But I suggest to him that wittingly or unwittingly —and I think unwittingly—there has been a violation of this agreement itself. I do not know what the word "appropriate" means. But in the agreement all the benefits were to be maintained. I suggest that under the statute that is before this committee the benefits are maintained only in part, and the rates apply only to the Canadian National Railways on goods passing, as my hon. friend said a few moments ago, on the long and tortuous haul down there. That might be the case. I quite realize that the competitive rates will offset that. I could make a dissertation on maritime freight rates, but I do not intend to do so now. I think that is something which must be considered in the near future, for whatever it may be worth.

It is worth something in principle. I do not want to see the principle of the act whittled down, and I am not speaking for the valley or for North Sydney or for any other place. I say that we have a principle there which is of benefit to the maritimes, and I want to see that principle maintained. I suggest that in the bill before us that principle is being impinged upon and whittled down and, if we once accept that, sooner or later it will be removed entirely.

Mr. St. Laurent: We are dealing of course with the implementing of the agreement. If the implementation of the agreement imposes any hardship on other parts of Canada it could be and should be dealt with; but I do not think it would be appropriate to deal with it now. If I understand the hon. member correctly, he says that the preferred movement resulted from the fact that it was export movement going through the port of Halifax. But my impression is, and it is confirmed by the language of section 4 of the Maritime Freight Rates Act, that the preferred movement is both export movement and local traffic out of the area. Local traffic all rail within the maritime area is a preferred movement just as is an export movement. I do not think it will have any other effect there than making possibly a rate from any point in the hon. member's county to a point in St. John's, Newfoundland, an export trade. It will no longer be an export trade; but if there has to be substituted for it something that cannot be called an export trade, all the pertinent factors should be taken into account.

Mr. Nowlan: It can only be a rate from Halifax itself. Then you would have to have another one from there on, whereas now you do not separate them.

Mr. St. Laurent: I understand that now the rate has to be the rate which stops at the

port of Halifax. If it is for goods that have a destination in Newfoundland it is an export rate to the port of Halifax.

Mr. Nowlan: Will the Prime Minister look at paragraph (c) of section 4.

Mr. St. Laurent: Paragraph (c) of section 4 is in the same terms as paragraph (a), local traffic all rail. Both are traffic movements to which the Maritime Freight Rates Act applies; but it may make this difference, because any trade moving from the hon. member's constituency to Halifax for St. John's, Newfoundland, will not, after union, be an export traffic. Presumably the board will have to make a rate which it will not call an export rate, but which should be the equivalent of an export rate. However, the 20 per cent that the exchequer reimburses on the rates that are set by the tariff will still apply.

Mr. Isnor: If we are assured of that it will be all right.

Mr. St. Laurent: The definition of the statute is that these movements, whether you call them local or export, are preferred movements to which the freight rates act applies. Therefore the only point is one which I do not think can be settled by legislation. It is the rate that the board of transport commissioners put into the tariff. We are to pay the 20 per cent whatever it is. There will be the further point of getting the board of transport commissioners to make a local rate that will not be higher than the present export rate.

Mr. Isnor: That is what we want.

Mr. St. Laurent: That will have to be done by the board of transport commissioners.

The Chairman: Shall section 13 carry?

Mr. McLure: No, Mr. Chairman. I think the section should stand until we get some other information about it. It contains a great deal. I was glad to hear the Prime Minister say—and I hope the Minister of Transport took notice of it—that the board of transport commissioners had no jurisdiction over water rates. I took up this matter with the Minister of Transport several times, but he never would agree with me. I took exception to his sending the board of transport commissioners to Charlottetown to settle rates on water. However, they went down there and settled that matter although they had no jurisdiction to do so. They set water rates for us between Borden and Tormentine, over which they had no jurisdiction whatever. I hope that the committee will permit this section to stand until we can get a few of these matters cleared up.

[Mr. St. Laurent.]

Mr. St. Laurent: The hon. members says that the rate from Borden to Tormentine is a water rate. That is deemed to be a rail rate, and it is part of a rail movement which is provided for by the local tariffs. What I said was that the board had no jurisdiction over water rates which are treated as such and fixed as water rates. By special disposition of parliament we have ferry services which are treated as a part of the land rail movement.

Mr. McLure: The act clearly specifies that the board of transport commissioners have no jurisdiction over water rates between provinces or between a province and territory of the British empire. They cannot treat one body of water between two provinces as a railway rate and another as a water rate. Authority over these things is given to the Canadian National Railways, which are subcontractors of the government for fixing a rate on water over which they have no jurisdiction.

Some hon. Members: Carried.

Mr. Nowlan: No; it is not carried. I suggest that the committee would make more progress if we allowed this section to stand, because I want to get more information on it. I made some inquiries from people here in the city who are authorities in these matters, and they concurred in the points I have raised. This is a real problem and the section should not be hurried through.

Mr. St. Laurent: I have no desire to hurry it through. If the hon. member says that he wishes to make further investigation and therefore to have the section stand for that purpose, I am agreeable. I did not wish to have it stand for the purpose of getting more information, because I think we have all that can be made available. If the hon. member wishes to make some investigation on his own, and to have the section stand for that purpose, I am agreeable to his suggestion.

Mr. Jackman: May I ask a question about a matter which is simple but of considerable interest to people who call themselves philatelists or stamp collectors. I am glad to see the Postmaster General in his seat. This matter might have been taken up under section 7, although I see no relevant section at all. Will Newfoundland unused stamps be of any value after union takes place? Will they be of value for putting on letters in Newfoundland and also in all of Canada?

Mr. Bertrand (Laurier): I know that officers of my department and of Newfoundland have had conferences and have decided points of interest to both countries. Unfortunately I have not had a chance to get in touch with

them and I do not know exactly what has taken place. If the hon. member will allow the matter to stand I shall answer either tomorrow or the day after.

Section 13 stands.

On section 14—*Fugitive Offenders Act.*

Mr. Smith (Calgary West): I wish to ask the Minister of Justice a question on this section. I do it under this section because I believe it is the section which has closest reference to the criminal code, although there is some reference to judges at page 21 of the bill, and there is also reference to the mounted police. The Fugitive Offenders Act is regarded as part of our criminal law, and is indeed part of it. When the minister introduced the resolution I asked him whether we were going to have references made, and whether a study had been made of all the statutes. His answer was that that had been done.

I wonder if the minister is sure about that. I accepted his word completely, of course. For example, I am thinking of the jurisdiction given to the different courts. I am thinking of summary trials, speedy trials, and those matters which come within the jurisdiction of what we call a magistrate, whose duties are defined in the criminal code.

I know that the exceptions in the code applying to Alberta and Saskatchewan, because at one time they were governed by the Northwest Territories Act, will have no application here. For instance, I turn for a moment, if I may be permitted, to that section at page 21 of the bill which refers to judges. I would be happier if I knew that we were setting up the same system we have in all the other provinces, namely a distinction between superior and district or county courts, as they are variously called.

Turning to the section at page 21, we find this:

> Section six of The Judges Act, 1946, chapter fifty-six of the statutes of 1946, is amended by adding thereto the following:
> "Three district judges of the admiralty District of Newfoundland, each, 333.33"

I presume that figure represents a monthly wage, or something of that nature. Then, the rest of the section is easily understandable. Have these district judges in admiralty jurisdiction in criminal matters similar to that of a district or county court judge in the other provinces? Sometimes admiralty judges are at sea in matters of admiralty, and they might be just as much at sea in matters connected with the criminal code.

I am wondering just how careful a study has been made of the criminal code with respect to statute amendments. I cannot place my finger at the present time on anything more than I have mentioned; but it does strike me that in many places in the code there are sections which have particular application to certain areas.

For example, I notice there is nothing in here about the Official Secrets Act. If anyone buys an edited edition of the criminal code he will always find in the back of it the Penitentiary Act and the Fugitive Offenders Act, all of which have to do with the administration of the criminal law of this country. I am just a bit concerned as to whether the situation has been studied with sufficient care so as not to leave ourselves in the air, so to speak, in Newfoundland, in connection with the administration of our criminal law.

Mr. Garson: If the hon. member will turn to page 9 of the terms of union he will see this:

> Subject to these terms, all laws in force in Newfoundland at or immediately prior to the date of union shall continue therein as if the union had not been made, subject nevertheless to be repealed, abolished, or altered by the parliament of Canada or by the legislature of the province of Newfoundland according to the authority of the parliament or of the legislature under the British North America Acts, 1867 to 1946, and all orders, rules and regulations made under any such laws shall likewise continue, subject to be revoked or amended by the body or person that made such orders, rules or regulations or the body or person that has power to make such orders, rules or regulations after the date of union, according to their respective authority under the British North America Acts, 1867 to 1946.

And then subsection (2):

> Statutes of the parliament of Canada in force at the date of union—

which would include the criminal code . . .

> —or any part thereof, shall come into force in the province of Newfoundland on a day or days to be fixed by act of the parliament of Canada or by proclamation of the governor general in council issued from time to time, and any such proclamation may provide for the repeal of any of the laws of Newfoundland that
>
> (a) are of general application;
>
> (b) relate to the same subject matter as the statute or part thereof so proclaimed—

That is, if Newfoundland law covers the same subject matter as is covered by federal law, then such Newfoundland law may be repealed. And—

> (c) could be repealed by the parliament of Canada under paragraph one of this term.

That is the agreement between the two governments relating to what should be done with regard to the respective laws of the two countries.

That will involve something with which we are not concerned in the bill now before the committee. It will involve bringing into effect, by statute or proclamation, all of those laws of Canada, such as the criminal code—and that is the outstanding example—in the province of Newfoundland. But for that

statute or proclamation those laws would not have any application to Newfoundland, and we must have these federal laws made applicable to Newfoundland.

The statute we have before us today is one covering all the consequential amendments in the various statute laws of Canada, necessitated as a consequence of bringing Newfoundland into the union. In other words, we have for example the Fugitive Offenders Act with a gap in it, because there is no definition of what in Newfoundland shall be a superior court within the meaning of that act. Therefore we must fill that gap.

Addressing myself particularly to my hon. friend's question, these laws such as the criminal code will be brought into force subsequently. What we are doing now is merely tidying up the sections so that when they are brought into force they will mesh in properly with the federal laws applicable to the other provinces on one hand and with the Newfoundland law on the other hand.

The hon. member has referred to summary jurisdiction and summary convictions, and he has referred to district court judges. My answer to the hon. member is that the Department of Justice circularized all the other departments of government asking them to submit, advise or request any consequential amendments in statute law which they desired, and which were within their administration. Then, having received those returns from the various departments, the draftsmen in the Department of Justice collaborated with their legal officers in the preparation of the material which forms the bill now before the committee.

If this bill be passed, then our federal statutes will be in such form that we can proceed to invoke section 18 of the terms of union by proclaiming all the appropriate federal laws as being applicable to the province of Newfoundland. There are three notable exceptions to that, and that is the law relating to income tax. We thought—and, in view of the question he asked me the other day when the bill was at an earlier stage, I think the hon. member will agree with me—that where we are imposing a tax upon a people under an income or any other tax act it is preferable to have any and all revisions of that tax act come in in the form of amendments to the tax act itself, rather than as a section in an omnibus bill such as the one now before us.

[Mr. Garson.]

Some hon. Members: Six o'clock.

Section stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Knowles: What is the business for tomorrow?

Mr. St. Laurent: The business tomorrow will be the continuation in committee of the consideration of Bill No. 12. If it is completed we would prefer to return to the continuation of the debate on the resolution of the Minister of Justice to introduce a measure to provide for the continuation of certain emergency orders. It has been brought to my attention, however, that hon. members had understood that as soon as we finished the proceedings dealing with Newfoundland, even though the fortnight that was provided for in the resolution had not been taken up, we would immediately resume the debate on the address. I should not like to have anyone think that we were breaking faith with them in any way. If it is the desire of the members that that should be done, of course we will comply. If this bill is completed tomorrow, and there is no objection, we will resume the adjourned debate on the resolution of the Minister of Justice; but if there is objection from any part of the house, and an expression of the view that we should resume at once the debate on the address, we will comply.

Mr. Knowles: May I thank the Prime Minister for the attitude he has taken on this question. As members are aware, there was a misunderstanding in the house the other night. May I suggest that perhaps he might consult with the various parties tomorrow morning. I am sure it was our understanding that we would resume the debate on the address, but in view of the fact that there are only two days remaining of the period allotted for the discussion of the Newfoundland matter, some agreement might be reached. I suggest that he consult with the parties tomorrow morning.

Mr. Smith (Calgary West): Let us proceed with the debate on the address in reply to the speech from the throne. That is what you want?

Mr. Knowles: It was our understanding that was what would happen. I think the

Prime Minister is taking the right stand now when he says that if that is what is wanted the house should go on with it.

Mr. Smith (Calgary West): That was my understanding.

Mr. St. Laurent: We can leave it in that form, and I will endeavour to obtain information from the whips as to what seems to be the desire of hon. members. If there is a desire to resume the debate on the address as soon as we finish this bill there will be no objection from this side of the house. If, on the other hand, it is agreeable to everyone to resume the debate on the resolution dealing with emergency measures we would prefer to do that.

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

HOUSE OF COMMONS

Thursday, February 17, 1949

The house met at three o'clock.

HALIFAX HARBOUR

COLLISIONS WITH HALIFAX-DARTMOUTH FERRY —QUESTION AS TO RADAR EQUIPMENT

Hon. Brooke Claxton (Minister of National Defence): Last week the hon. member for Saint John-Albert (Mr. Hazen) asked me this question:

Was the naval tug *Glenevis*, which was in collision with the Halifax-Dartmouth ferry in Halifax harbour this week, equipped with radar? Is there any shore-based radar available at that port? Was harbour craft No. 303, which was in collision with the North Dartmouth ferry in Halifax on the same day, equipped with radar?

The answer to all three questions is in the negative. So far it has not been considered necessary to install radar in these circumstances.

BUTTER SUBSTITUTES

PROTECTION OF PURCHASERS AND USERS AGAINST DECEPTION

Mr. G. A. Cruickshank (Fraser Valley) moved for leave to introduce Bill No. 22, to provide against the deception of purchasers or users of margarine, oleomargarine or other butter substitutes.

Some hon. Members: Explain.

Mr. Cruickshank: Mr. Speaker, it is with a great deal of pleasure that I explain this bill.

Mr. Sinclair: Louder.

Mr. Cruickshank: I think even the hon. member for Vancouver North (Mr. Sinclair) will agree when I state the provisions of the bill, leaving out the preamble:

1. No person shall colour margarine, oleomargarine, butterine or any substitute for butter so as to resemble butter.

An hon. Member: Why?

Mr. Cruickshank: I shall explain why in a minute.

2. No person shall sell margarine, oleomargarine, butterine or other substitute for butter unless it is clearly labeled as such.

3. No person shall supply such commodity for consumption in any hotel, restaurant or other eating place where meals are supplied for a charge, unless on the bill of fare or menu or by some other means the purchaser or consumer is notified that such commodity is margarine, oleomargarine, butterine, or other butter substitute as the case may be.

4. Every person who contravenes any provision of this act is guilty of an offence and is liable on summary conviction to a fine not exceeding $500, or to imprisonment for a term not exceeding six months, or to both fine and imprisonment.

Briefly, Mr. Speaker, the purpose of this bill is not merely to protect the dairy farmers but to prevent deception of the public.

Motion agreed to and bill read the first time.

CRIMINAL CODE

AMENDMENTS RESPECTING PISTOLS, AIR GUNS, MOTOR VEHICLES, LEVEL CROSSINGS AND PAYMENT OF FINES

Mr. T. L. Church (Broadview) moved for leave to introduce Bill No. 23, to amend the Criminal Code (pistols, air guns, motor vehicles, level crossings and the payment of fines).

Some hon. Members: Explain.

Mr. Church: Mr. Speaker, wherefore seeing we also are compassed about with so great a cloud of witnesses, let us lay aside every weight, and let us run with patience the race that is set before us. We should use our best endeavours in the present session to remedy the evils covered by this bill, such as motorcar accidents, drownings, fires in homes, accidents at level crossings, and the slaughter of the innocents by hit-and-run drivers. Transportation should be a means to an end, not an end in itself. Nothing has added more to the comfort and education of the people than the motorcar, but, like every other invention of science, its use is one thing and its abuse is another. Warfare has turned into a curse, by their abuse, the many discoveries of science in physics, chemistry, biochemistry, medicine and other blessings to humanity.

In a news item in the Toronto *Telegram* of January 29 I noticed the headline: "Nine little victims, adult, await burial side by side." These people were the victims of a fire in New Waterford, Nova Scotia.

Motion agreed to and bill read the first time.

Inquiries of the Ministry

ALL JURORS TO BE FEMALE IN THE TRIAL OF FEMALE PERSONS

Mr. T. L. Church (Broadview) moved for leave to introduce Bill No. 24, to amend the Criminal Code (juries).

Some hon. Members: Explain.

Mr. Church: This bill is different from the one I introduced last year. Women comprised fifty-one per cent of the voting population in the 1945 election, and it is proposed that they be given jury duties, subject to the same qualifications as apply to male jurors. This provision appeals to me particularly from the point of view of the inspection duties of juries. If women were on the juries inspecting such institutions as the Mercer reformatory and the old Toronto jail in my constituency, the condition of these institutions would be much improved. I believe the matter is worthy of consideration.

Motion agreed to and bill read the first time.

LIVESTOCK

TUBERCULOSIS TESTING OF CATTLE IN MIDDLESEX COUNTY

On the orders of the day:

Mr. H. O. White (Middlesex East): I should like to direct a question to the Minister of Agriculture or his parliamentary assistant. In view of the current T.B. testing of cattle in Middlesex county, is it the intention of the government to complete the tests in all the townships? If not, in what townships are the cattle not to be tested, and why not?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): It is my understanding that tests will be completed in all the townships of Middlesex county.

CARDINAL MINDSZENTY

QUESTION AS TO CANADIAN PARTICIPATION IN CONDOLENCES TO THE POPE

On the orders of the day:

Mr. Frederic Dorion (Charlevoix-Saguenay): I should like to direct a question to the Secretary of State for External Affairs. Was Canada represented yesterday when the representatives of the civilized countries of the world expressed their condolences to His Holiness the Pope on the sentencing of Cardinal Mindszenty?

Hon. L. B. Pearson (Secretary of State for External Affairs): I did not receive notice of this question, which mentions action taken by the representatives of the various countries accredited to the Vatican. Canada is not represented at the Vatican; therefore no Canadian representative was present on this occasion.

[Mr. Church.]

TRADE

CANADA-UNITED KINGDOM—INQUIRY AS TO POSSIBLE RESTRICTION OF IMPORTS FROM CANADA

On the orders of the day:

Mr. Ronald Moore (Churchill): I should like to direct a question to the Minister of Trade and Commerce. In view of Britain's unfavourable balance of trade with this country, is the minister in a position to say whether the Canadian government expects action by the British government to reduce its unfavourable trade balance by restricting imports from Canada?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The government does not expect such action.

PRICES

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): In view of the fact that the house may soon be debating the resolution on certain emergency powers, including price control, will the Prime Minister state when we may expect to have the report of the royal commission on prices?

Right Hon. L. S. St. Laurent (Prime Minister): I believe I did state that the information I had received from the printers was to the effect it would be available before the end of the month.

TRANS-CANADA HIGHWAY

INQUIRY AS TO CHOICE OF ROUTE THROUGH B.C. MOUNTAIN PASS

On the orders of the day:

Hon. J. A. MacKinnon (Minister of Mines and Resources): Yesterday the hon. member for Kootenay East (Mr. Matthews) asked me whether any decision had been arrived at with respect to the route of the trans-Canada highway through the province of British Columbia. I answered that I had not heard of any such decision. A communication has been received from Hon. Mr. Carson, Minister of Public Works for British Columbia, enclosing a plan of the proposed route through British Columbia. This plan shows the route to be the one commonly called the Banff-Big Bend route through the provinces of Alberta and British Columbia. I am not sure that decision is definite as yet, Mr. Speaker, but that represents the recommendation coming to us at this time from British Columbia.

STATUTE LAW AMENDMENT

AMENDMENTS TO IMPLEMENT TERMS OF UNION OF NEWFOUNDLAND WITH CANADA

The house resumed from Wednesday, February 16, consideration in committee of Bill No. 12, to amend the statute law—Mr. Garson—Mr. Macdonald (Brantford City) in the chair.

On section 13—*Maritime Freight Rates Act.*

Hon. Lionel Chevrier (Minister of Transport): Yesterday, when this section was being discussed, a number of questions were asked, and there seemed to be some misapprehension as to the exact meaning of it. I have communicated with the officers of the Canadian National Railways in connection with section 13 as set out in the act to amend the statute law, and I should like to make this statement.

The provision in the bill that through traffic between Canada and Newfoundland shall be treated as all-rail traffic when passing over the water route between North Sydney and Port aux Basques on the steamship now owned by the Newfoundland Railway is nothing unusual. It is the same practice as was followed with respect to the vessel service between the mainland and Prince Edward Island many years ago, when through rates were made via that service; the only difference is that the steamer service between the mainland and Prince Edward Island has been changed to a car ferry. It is not possible under present conditions to establish a car ferry between North Sydney and Port aux Basques; therefore the steamship service must be considered as a substitute for a car ferry service.

Under the circumstances it is quite proper for the through rates prevailing in the other maritime provinces to be extended through to Newfoundland via the steamship service on a basis somewhat comparable to the rates within the maritimes; in fact as soon as the Newfoundland Railway and its steamship service between North Sydney and Port aux Basques come under the provisions of the Railway Act, the provisions of that act will require the extension of reasonable through rates between the other provinces of Canada and Newfoundland.

The same situation exists with respect to the water service now carried on via the car ferry between Mulgrave and Point Tupper—that is, the rates between the rest of Canada and Cape Breton are on a through rail basis.

The reductions in the rates which will result from the taking over of the Newfoundland Railway and steamship service by the Canadian National is exactly the same practice as has been followed with other railways taken over by the Canadian National. For example, when the railway from Matapedia to Gaspe was taken over, in accordance with the requirements of the Railway Act the rates were reduced from a combination over Matapedia to a joint through basis which was comparable with the main line of the Intercolonial railway for approximately similar distances.

Mr. McCulloch (Pictou): What year was that?

Mr. Chevrier: I have not the exact date, but it was some time ago.

Under the bill the Canadian National Railways is required to file tariffs with the board of transport commissioners on March 31, assuming that confederation takes place on that date, and assuming also that the lines of railway on the island of Newfoundland and the steamer service between North Sydney and Port aux Basques are entrusted to the Canadian National Railways on the same date. Such rates will have to conform to the general pattern of rail rates in the other provinces of Canada; otherwise they would be discriminatory. Discriminatory rates, either higher or lower than in the same general territory, cannot be maintained under the Railway Act. Therefore, as stated, the rates will follow the general pattern of the rates in the other provinces.

There is a great deal to be done in working out the details of these rates; therefore no quotations are available at the present time. But it may be stated that, from what has been done so far, the scheme of rates to and from Newfoundland compared with the rates to and from Halifax will result in substantial differences between the Halifax rates and the Newfoundland rates. If private steamship operators wish to continue to operate between Halifax and Newfoundland, and particularly St. John's, Newfoundland, the difference between the local Halifax rates and the Newfoundland rates should be sufficient to enable the steamship operators to carry on service at fair and reasonable rates.

On some commodities very low rates have been published from Montreal and points west to Halifax and North Sydney for furtherance to Newfoundland. These rates were established many years ago when there was a steamship line operating between New York and Newfoundland, and the rates to Halifax and North Sydney were established to meet competition via the port of New York. Combined with the local rates of the Newfoundland service beyond North Sydney or the private vessel rates beyond Halifax to Newfoundland, they resulted in very high rates.

The through rates now proposed by the legislation to and from Newfoundland will be on a more reasonable basis, and the steamship operators at Halifax cannot expect the railways after the union to carry such extremely low rates to Halifax and North Sydney and thus result in the diversion of traffic from the through route of the Canadian National Railways.

There is nothing, however, in this act or the Railway Act to prevent other carriers, such as the Canadian Pacific Railway and the Dominion Atlantic Railway, from maintaining rates to Halifax via the route through Saint John and Digby for furtherance to Newfoundland, and in connection with steamship operators from Halifax providing competition with the joint through rates over the Canadian National Railways.

Mr. Nowlan: I appreciate the courtesy of the minister in making the statement he has made. Partly because of the difficulty in hearing him, and partly because it will take some time to digest the statement, I am not in a position at the moment to deal with it fully. With most of what he said I think we are in substantial agreement. I take objection, however, to one of the references made by the minister, if I understood him correctly. He said that the rates which were to be made in Newfoundland would be fair, reasonable and nondiscriminatory; in other words, they are to be on the standard pattern of railroad rates. That is one of the matters directly dealt with by the Maritime Freight Rates Act, section 7 of which reads as follows:

> The rates specified in the tariffs of tolls, in this act provided for, in respect of preferred movements, shall be deemed to be statutory rates, not based on any principle of fair return to the railway for services rendered in the carriage of traffic; and no argument shall accordingly be made, nor considered in respect of the reasonableness of such rates with regard to other rates, nor of other rates having regard to the rates authorized by this act.

If I understood the minister correctly his statement implies that the principle of the Maritime Freight Rates Act is to be whittled down by having whatever rates may be imposed in Newfoundland on a fair and reasonable basis. That matter was fought out many years ago. I understand that the statement read by the minister, and prepared by his responsible officials, cannot be at all derogatory of the statute, and that the statute still governs. But I want to take special exception to that principle enunciated by him.

As to the rest of what the minister said, I do not think it differs materially from what I suggested last night. My quarrel with this section is that it cuts down the application of the Maritime Freight Rates Act in the maritime provinces. If hon. members will look at section 4 of the act, they will find that preferred movements are defined by two subsections. Section 4(a) defines one as "local traffic, all rail." Obviously traffic can only move "all rail" into Newfoundland over the Canadian National Railways, because by this bill we are adopting the principle that the steamer between Port aux Basques and Sydney becomes part of the railway. That would be an "all-rail" movement, and in that way a preferred rate could be established over the Canadian National Railways, but certainly not over any other system.

The only other definition which is open, and which, I suggest, will be closed after this section is adopted, is section 4 (c): "Traffic moving outward, export traffic. . ." As the Prime Minister agreed last night, traffic moving today to St. John's, Newfoundland, is export traffic. After March 31 it ceases to be export traffic, because if the legislation which we have been considering here is enacted in the proper places, Newfoundland will become a province of Canada and there can be no export traffic to Newfoundland. There will then be only one way in which the Maritime Freight Rates Act can apply, namely, under this specially-designed section which applies to only one railway, and to traffic moving in one particular manner.

I suggest that this minimizes the effect and implication of the Maritime Freight Rates Act in the province. I suggest that, if necessary, this section of the Maritime Freight Rates Act should be amended so as to maintain the scope which exists today, by virtue of which freight moving over any of the railways in the province obtains the benefits of the act. I appreciate the fact that at the present time much of that freight moves from Halifax by water. As the minister well knows, established shipping lines, such as Furness Withy and others, have been operating freight services there for many years.

Over the Canadian National Railways it will be possible to obtain a through all-rail rate, obtaining the benefits of the Maritime Freight Rates Act, from any point within the area to any point within Newfoundland. I suggest that this section be changed to apply to freight moving over the Canadian Pacific Railway, if you like, or over the Dominion Atlantic Railway, coming into Halifax, and that a through rate be provided so that if that rate is established it can be in competition with the one which will be fixed by the Canadian National Railways.

We know what will happen. The Canadian National Railways will apply and fix a through rate for goods moving eastward.

That is all to the good; but other carriers should be permitted to file through rates over any other system so that the accommodation of rail and water, if necessary, out of Halifax or out of Pictou or any other port, as mentioned by the senior member for Halifax last night, could be taken advantage of. Other carriers, if they desired, should be permitted to file through rates in competition. That will be prevented by the bill we are discussing at this time.

I do not propose to move an amendment; this is a matter of government policy and the government must accept responsibility for it. I suggest, sir, that they are reducing and belittling the effect of the Maritime Freight Rates Act within the maritime provinces. They are prejudicing those who are using other carriers, and they will reduce employment in Halifax and other districts which are served by the Dominion Atlantic Railway, the Canadian Pacific Railway, and others. That is contrary to the principle which this house recognized many years ago when the Maritime Freight Rates Act was first adopted. At that time it was a matter of reducing costs to benefit shippers out of that area. I suggest in all deference that this section is so designed as to benefit the Canadian National Railways, to give that system a monopoly of traffic within the new province of Newfoundland, and to prejudice all those in other areas.

Mr. Isnor: I wish to compliment the hon. member who has just taken his seat on the way in which he has presented this subject to the committee. The Minister of Transport made an important statement, and I think we should have an opportunity of studying it; moreover, we should give the same opportunity to those who are interested from the competitive standpoint. Before I conclude I am going to suggest that the sponsor of the bill allow this section to stand until such an opportunity is given. I judge that that does not meet with the approval of all concerned, but I am going to urge it for the following reasons.

The hon. member for Digby-Annapolis-Kings has said that the minister's statement indicates the creation of a monopoly, and I believe it does. The statement prepared by the officials of the Canadian National Railways presented one view and one view only. There must be competition if we are to bring about the benefits which Newfoundland and the maritimes expect from the Maritime Freight Rates Act. I do not wish to go into the question that arose at the time of confederation in relation to the maritimes. We do know that in the negotiations preceding confederation the question of transportation was given serious thought, because of the need of connecting the maritime provinces—the same question arises now in respect to Newfoundland—with central Canada in the way of trade. Instead of developing trade as we thought we would in the maritimes, the railway carried people who built up a large population in central Canada. The result was that in Ontario, for example, a population of three and a half million was built up within a radius of a hundred miles of Toronto. Because of that large market, industrial centres have developed in central Canada to such an extent that we in the maritimes are suffering under a handicap. The same situation may develop in respect to Newfoundland if we are not careful in dealing with the question of transportation to that new province. We hope to continue to have products in the maritimes to ship to central Canada, and we want the Maritime Freight Rates Act, and the benefits we derive from it, to be undisturbed. For that reason we believe there is a definite thought of monopoly in the statement presented by the Minister of Transport.

The shipowners who have been carrying on business between the maritime provinces and Newfoundland should still enjoy the opportunity to carry on that trade through the shipping business which they have built up. The statement made by the minister more or less eliminates water-borne traffic because of the monopoly mentioned by the hon. member for Digby-Annapolis-Kings. We should carefully study the effect that this is likely to have on the maritime provinces, particularly on the large shipping ports. May I emphasize the fact that Halifax depends to a very great extent on employment along its waterfront. I am concerned about it. Before this section passes the shipowners of Nova Scotia should be asked to give us their advice about it.

Mr. St. Laurent: I fear the hon. member is under a misapprehension as to what is being done. No increase is being provided in rates from any point within the preferred area to any point in Newfoundland. At the present time there are no through rail rates from Halifax to Newfoundland. There is a rail rate to Halifax, and then water carriage beyond that. Under this arrangement a through rate will be possible from points within the preferred area through North Sydney and Port aux Basques, treated as an all-rail rate. All hon. members know that the procedure provided in the Maritime Freight Rates Act to give the benefits recommended by the Duncan commission required that new tariffs be filed twenty per cent below what they would normally be,

and this house votes a special appropriation each year to the amount of twenty per cent of the freight bill. What is being done here is that twenty per cent of the freight bill on traffic moving under the Maritime Freight Rates Act to Newfoundland will be borne by the federal exchequer, including that portion of the freight bill which covers the ninety miles between North Sydney and Port aux Basques. Twenty per cent of the freight bill from any point within the preferred area to Halifax will still be paid by the federal exchequer.

What the hon. member would like to have done, perhaps, would be to have the federal exchequer assume twenty per cent of the water carriage bill from Halifax to St. John's. That is a matter which was discussed with the delegation, and we could not agree to it. There is no control, other than that arising out of competition, over the amount of freight that water carriers take. We could not agree to pay out of the federal exchequer twenty per cent of the cost of water-borne traffic from Halifax to ports in Newfoundland. The other rail rates are not being changed in any way. It may be that having the ninety miles between North Sydney and Port aux Basques treated as rail movement would make a rate which would be more attractive than a water-borne rate from Halifax to St. John's, but it would be merely for Port aux Basques and nearby operations, because a through rate all rail from any point in Canada to St. John's via North Sydney and Port aux Basques will be a rate that should be higher than a combination of the freight rate to Halifax plus a fair and reasonable water rate from Halifax to St. John's. On the rail portion, either within Nova Scotia or New Brunswick or within Newfoundland, the federal exchequer will reimburse the shippers twenty per cent to the railways, but it will not reimburse twenty per cent of the water freight from Halifax to St. John's or any other port, and it never has. So it is not creating anything different in that respect. As a factual result, it may be that because the ninety miles water haul between North Sydney and Port aux Basques is to benefit from the twenty per cent reduction, it will prove to be more effective for Port aux Basques than if there were a rail rate to Halifax and then water carriage from Halifax to Port aux Basques. But when you consider that these are two rail movements, water carriers from Halifax should be able to quote a very reasonable freight rate for their portion of the water carriage and still have the total remain under the all-rail rate.

[Mr. St. Laurent.]

Mr. Isnor: I think the Prime Minister has forgotten one point, namely, competition in water-borne freight. As has been said, in Halifax we have four or five large shipping companies which have been doing a good business between the mainland of Nova Scotia and Newfoundland. Naturally we do not want those firms to be put out of business because of a monopoly in transportation. As was pointed out yesterday by the hon. member for Cape Breton South, the Canadian National has a long line from Halifax to Sydney to carry freight. And if freight is carried over that line it will not be beneficial to the merchants and users in St. John's and other sections of Newfoundland.

I believe that if freight from Halifax or other points in Nova Scotia is carried by water it will lessen the operating cost and bring down the rate. That is what we want—to create open competition from Halifax to Newfoundland as compared with a long rail haul. If we can have the assurance that there will be no interference with that competition and rate, that is what we want. In the meantime, while I am willing as a rule to take the word of the Prime Minister or of the Minister of Transport, I doubt whether either is as well versed in these transportation matters as the men who carry on the work. For that reason I ask that an opportunity be afforded to present the statement of the Minister of Transport to the shipping firms in Halifax.

Mr. Gillis: I listened carefully to the Minister of Transport, and so far as I am concerned the statement he made was fair and reasonable. I cannot follow the argument of the hon. member for Digby-Annapolis-Kings—I wish they would shorten the name of that constituency—or the argument of the senior member for Halifax, because this arrangement with Newfoundland is not changing anything.

Mr. Nowlan: Yes, it is.

Mr. Gillis: It was in existence before the proposal to bring in Newfoundland was made, with the exception that the Maritime Freight Rates Act has been extended and made applicable to the ninety miles between North Sydney and Newfoundland, and to the railways in Newfoundland. That does not affect the port of Halifax at all; it does not do anything to that port which was not in existence before.

I understand the argument of the hon. member for Digby-Annapolis-Kings, because a section of the Canadian Pacific Railway, a privately-operated company, runs through that valley. And while these private companies argue that they do not want any entanglements with the government, they are

always willing to put their hands out for anything the government may be able to give them.

Mr. Isnor: Competition.

Mr. Gillis: The senior member for Halifax says that this will be a great monopoly. If it is a monopoly, then he is arguing against a monopoly of his own government.

Mr. Isnor: That does not matter.

Mr. Gillis: Apparently he has very little faith in it. The Canadian Pacific Railway would be affected to only a very small extent. They still fall within the terms of the Maritime Freight Rates Act from the valley into the port of Halifax.

Mr. Nowlan: No.

Mr. Gillis: The hon. member is now arguing for these privately-operated shipping companies, and saying that they should have the freight cost offset by twenty per cent and brought under the Maritime Freight Rates Act. This competition about which he speaks is only camouflage; it is something like Duplessis' Union Nationale—take the mask off, and it is the Tory machine. This question of competition, and this argument against a monopoly, and all that kind of thing, is just a false face to cover up what the hon. member is really after, namely, to subsidize private shipping companies out of government funds. If they are not able to carry on on their own, in my opinion they should not be in business, and it should be handed over to the government.

Money used in connection with the Maritime Freight Rates Act comes out of the pockets of the taxpayers of Canada. We provide millions of dollars each year to make up the deficit of the Canadian National Railways. I believe the action taken by the government in this instance—and it has not been done in every case—in trying to maintain their own organization in competition with the Canadian Pacific Railway is a step in the right direction. While the hon. member for Digby-Annapolis-Kings is interested in getting something for the valley, and the senior member for Halifax is interested in the business done by the port of Halifax—I do not blame him for that; a good deal of grass has grown on the railway into that terminal in the past twenty years—

Mr. Nowlan: What are you interested in?

Mr. Gillis: I am interested in my own end of the country. As I said a moment ago, I do not blame these hon. members for taking their stand and telling us what they want done. Nevertheless when they speak about competition, monopoly, and all that kind of thing, they do not make a good case.

Mr. Isnor: You do not like monopolies?

Mr. Gillis: If the arrangement these two hon. members suggest is accepted, it will be applicable not only to water shipments from Halifax to Newfoundland, from the valley, but it will include everything that comes down from Quebec and Ontario. There is no argument as to the competition between the old obsolete railway from Halifax to Sydney and the modern shipping facilities from Halifax to St. John's. There is no competition there.

If the arrangement suggested by the hon. members to whom I have referred were to go through, it would mean that you might as well take up the rails between Halifax and North Sydney; it would kill that port, and I should not like to see that happen. There are three hundred miles of road down there, and a flourishing little seaport, both of which are kept up by the present arrangement. It would not be a question of establishing competition there; it would mean the scrapping of a great deal of essential material which was built and paid for by Canadians in that end of the country.

Apparently I have more faith in the Prime Minister than the senior member for Halifax has. The Prime Minister stated yesterday that the point raised by the two hon. members is one which would have to be dealt with by the board of transport commissioners. He said it would be dealt with, and the arguments advanced would be taken into consideration. I know that in a debate on this bill affecting Newfoundland we have not the opportunity to remedy that condition. With the assurance given by the Prime Minister that the best possible arrangement will be made for all concerned, I am satisfied to let the case rest.

Mr. Isnor: Apparently the hon. member for Cape Breton South missed the point entirely. He began his speech with an argument, and then proceeded to tear that argument to pieces. I just want to reply to the hon. member's reference to my confidence in the Prime Minister. I say to him that if on measures brought in by the Prime Minister he votes as I vote, I shall be quite satisfied.

Mr. Gillis: Every time the Prime Minister is right, I will support him.

Mr. Isnor: He is right more often than the hon. member thinks he is.

Mr. Gillis: He is right in this case.

Mr. Isnor: If the hon. member for Cape Breton South is sincere in his efforts to help his own particular section of the country and to improve that railroad, then he should support us in bringing about open competition. There is nothing like competition to improve a service and bring about what the hon.

member has been trying to bring about for many years. I ask the hon. member to get back of the maritime provinces in their efforts to keep all ports busy, not just one port. We shall then have the competition which will improve the service about which he has been complaining.

Mr. Black (Cumberland): I want to compliment the hon. member for Digby-Annapolis-Kings for bringing up this matter and placing it before us so clearly. He has been supported by the senior member for Halifax. I am in agreement to some extent with the hon. member for Cape Breton South. I am especially interested in seeing that all the ports in the maritime provinces are treated fairly. I agree with the hon. member for Cape Breton South that since confederation eastern Nova Scotia has been handicapped, having regard to the amount of traffic that is handled, more than any other part of Canada. For many years we have been trying to get a crossing over the strait of Canso and to have the railroad serving eastern Nova Scotia reconstructed.

The whole situation has been changed in bringing Newfoundland into confederation, because this traffic will now be interprovincial. The maritime freight rates, for which we fought for so many years and at last obtained, and which are prized so highly in the maritime provinces, will now be made applicable to Newfoundland and to the water crossing from North Sydney to Port aux Basques. This is quite a concession to the shippers in Newfoundland, and I am in hearty agreement with it. I do not think the government could have done otherwise.

As has been pointed out, this is now interprovincial trade, and any traffic from Halifax or such points to Newfoundland will be on the same basis. Traffic from Halifax to points in Newfoundland should not be handicapped; it should receive the twenty per cent subsidy provided by the Maritime Freight Rates Act and made available via other routes. Otherwise it will be discriminated against in the future. I do not see how the government can avoid granting this twenty per cent subsidy to traffic between Halifax and other points and Newfoundland.

I compliment the hon. member for Digby-Annapolis-Kings upon presenting the case so clearly. I think the important statement which has just been made by the Minister of Transport should be allowed to stand so that we may have an opportunity to review it in relation to this entire traffic—unless the Prime Minister is able to give us assurance that the maritime freight rates subsidy will apply to all traffic, and there will be no discrimination created when Newfoundland enters confederation, and all receivers of goods will benefit.

Mr. Nowlan: I think we are confusing the two things that are before the committee. I am surprised that the hon. member for Cape Breton South should intimate that his famous railroad is dependent upon outward traffic rolling down toward Sydney. I always had some suspicions that the steel and coal industries of Cape Breton were substantial factors in the maintenance of that railroad.

As I say, there are two things before us. There was the suggestion made originally by myself and by the senior member for Halifax that these rates should apply from Halifax to St. John's, that traffic between those points should come within the scope of the freight rates act. I suggest that the hon. member for Cape Breton South is wrong, and I suggest also, with deference, that the Prime Minister is wrong, in saying that no change has been effected by this amendment. It may be that both are technically correct, that the Canadian National Railways are simply being extended over ninety miles of water. But if the right hon. gentleman will look at section 4—I would not want to set myself up as an expert on the interpretation of statutes as opposed to the Prime Minister, especially in view of his standing before the bar—I think he will find that the preferred rates come within one of two classifications. First, there is the local traffic, all rail. Certainly this is not local traffic, all rail. Second, there is traffic moving outward, export traffic. Certainly this is not export traffic. Therefore I suggest to the hon. member for Cape Breton South and to the Prime Minister that the situation is changed and that they must distinguish between the problems now before the committee.

There is the matter of compensation for freight moving from Halifax or other ports to Newfoundland, and there is the further matter, I suggest, of the interpretation of section 4. I contend that the Prime Minister was not correct when he stated that the Maritime Freight Rates Act would apply to goods moving over the Canadian National Railways to Halifax. Goods would have to be shipped direct to Halifax locally and then be reshipped, because the provisions apply only to local traffic, all rail, and export traffic.

It is not export, and if it is to be local, all rail, you would have to consign it to Halifax and then reconsign it to St. John's. I think that is correct. This traffic will be restricted to traffic over the Canadian National if the benefits of the Maritime Freight Rates Act are to apply. I suggest that if that principle is to be maintained, section 4 of the Maritime

Freight Rates Act should be amended by striking out the words "export traffic" so that the benefits of the act will apply in so far as Halifax, Digby or other ports are concerned.

Whether or not the government wishes to extend that provision is a matter of policy for which the government must assume responsibility. But I state with deference, and I think the Prime Minister almost accepts my contention, that if it is not done, the benefits of the Maritime Freight Rates Act will be lost in relation to all shipments moving to Newfoundland except those moving over the Canadian National, unless they are first shipped locally to Pictou or Saint John or Halifax and then reshipped. Of course that would create an impossible situation which I do not think it is the intention of the government to bring about.

Mr. Church: The question of maritime freight rates is not a local question. I remember back in 1922 when I first entered this house I proposed a national fuel policy under which all coal would be mined under the British flag. At that time boats were coming into Toronto harbour from Swansea, Wales. My suggestion was that coal should be mined in Wales, the maritimes or Alberta. A select committee of the House of Commons was appointed and it considered this motion for three days. The committee heard evidence for weeks and reported favourably. The discussion of this matter continued from 1922 onward. In 1925 the late Minister of Justice, Mr. Lapointe, took steps to have the Duncan commission appointed to go into all these involved questions.

My proposal was a system of bonuses, subventions and subsidies to cure the ills from which the maritime provinces were suffering at that time, but my proposal did not commend itself to the house. As I understand it the present maritime freight rates will not apply to Newfoundland, because it ceased to be a dominion in 1933, as my leader said last evening. What was that system of bonuses, subventions and subsidies that I proposed? I believe such a policy would cure all the ills from which all the provinces are suffering. In that connection I say freight rates should not be made a political question by one province at the expense of the others. That is the difficulty we have had in this house with railway rates of all kinds. We have had them dealt with by professors and such whose only knowledge of freight and freight rates was what they gained by looking out the windows as they traveled on our railways.

In my opinion the government should fully implement the recommendations of the Duncan commission which was appointed in 1925. There was a debate on parliamentary and constitutional reform, and a committee of this house presided over by the present Mr. Justice Carroll inquired into these matters and made a report. One or two of the maritimers supported the policy I advocated. The late Mr. Logan, who was later appointed to another place, and Mr. Carroll were the only two members from the maritimes who supported my program which was designed to initiate a national fuel policy with particular application to the maritimes. At that time there was a very large body of public opinion in the province of Ontario which sympathized with the maritime provinces. They wanted to use that coal, and they needed it.

The Chairman: Order. I think the hon. member is getting away from the section under consideration.

Mr. Church: After union the present maritime freight rates will not apply to Newfoundland, I repeat, unless there is a special agreement covering that point. The water rates will continue to apply, I suppose, but I was referring to the recommendations made by the Duncan commission in support of my proposal for a dollar a ton bonus, so that millions of tons of coal could be moved from the maritimes to Ontario.

Will the present bonuses, subventions and wartime rates for freight extend to Newfoundland? I say they will not, unless after union there is some special agreement. I believe there will have to be a new arrangement with respect to freight and passenger rates and all the other things which were mentioned the other evening. I believe it is only sound policy for us to do everything within our power to aid the maritime provinces along the lines laid down by the Duncan commission.

Mr. Williams: Mr. Chairman, I have listened as well as I could from back here to the discussion that has been going on, and from what I was able to hear and understand it seems that the great advocates of private and free enterprise are now interested in getting some government subsidies for some section of a private enterprise railway as well as private enterprise shipping. It seems to me that is a great contradiction. If private, free enterprise is the strong and virile factor they would have us believe it to be, for the life of me I cannot understand why it should not stand on its own feet. After all, this is a government-owned institution that is contemplated, carrying freight down in that area; and I think it would be extremely foolish for the government to subsidize one of its competitors. As a matter of fact, Mr. Chairman, since we are discussing railway matters, I am particularly interested in that section of

railway which runs through the main street of the city of Oshawa in my riding. I want to see that stretch of railway picked up by somebody, I do not care who does it or where they take it.

All I want to say is that I think the government is perfectly consistent in following the course the minister has outlined, thereby looking after the interests of the institution for which it has the responsibility.

Mr. Nowlan: Is the hon. member prepared to state that he is opposed to the principle of the Maritime Freight Rates Act? If so, is he speaking for his party in making that statement?

Mr. Williams: That is the trouble with sitting back here; people do not speak loudly enough. They blame it on the acoustics of the chamber, whereas if they would only speak as well as they can one could hear and understand much better what is going on.

Mr. Graydon: They can hear you in the galleries all right.

Mr. St. Laurent: I do not want to take sides in any discussion as to the advantages or disadvantages of these various routes, but in fairness to the hon. member for Halifax I do want to say that I do not pretend to know what rates the water carriers charge from Halifax to St. John's. In our discussions with the Newfoundland delegation, however, we assumed that they took lower rates for comparable mileage than the railway companies take. I do not know whether or not that is so. If it is so, the argument I submitted is valid.

With respect to the remarks of the hon. member for Digby-Annapolis-Kings, with much of what he said I agree, but I think there is this confusion which perhaps does not exist in his mind but which may exist in the minds of those reading his remarks. From what he said one would be inclined to understand that the maritime rates applied to export traffic the whole way. That is not so. They apply to export traffic originating within the select territory and only with respect to the portion of the journey made over a railway; that is to say, in the case under discussion, only to Halifax. You can bill something from any point in the select territory to a point outside Canada and it is export trade, but the rate the carrier charges is the total of the rail rate plus the water rate, and the Maritime Freight Rates Act applies only to the portion of that charge which is the rail rate. That will not be changed in any way here. If something is going from the select territory today to any port in Newfoundland, the portion of the rate that represents the rail journey to Halifax will still get the twenty per cent.

Mr. Nowlan: Will the Prime Minister say under what section that comes?

Mr. St. Laurent: It is local. It is all rail and it gets the benefit of the maritime rate, provided it originates within the select territory.

Mr. Nowlan: Would it not have to be billed local to Halifax, and then re-billed from Halifax on? It would not be billed all rail from Diamond Junction, for instance, to St. John's, Newfoundland; it would have to be billed local to Halifax and then re-billed to St. John's.

Mr. St. Laurent: In my view that would have to be local all rail, and the railway companies would collect from the federal exchequer 20 per cent of the rate for the operation from Diamond Junction to Halifax and 20 per cent of the rate from St. John's to the ultimate destination in Newfoundland.

Mr. Nowlan: Then the words "all rail" have no significance at all?

Mr. St. Laurent: The words "all rail" have the significance that that portion of the rate borne by the treasury does not apply to any part of the haul that is not for rail transportation. If it does not work out that way, the hon. member can have the assurance that it will be.

Mr. Isnor: Will the Prime Minister allow the section to stand until tomorrow? It is very doubtful whether we will get through the entire bill today. I feel we should have the opportunity of having expert opinion on this matter.

Mr. St. Laurent: Perhaps we could make this compromise. We will let the section stand for the moment and proceed with the remainder of the bill. If we get through the bill today, we can go back to section 13, but I hope we would not have to have any more discussion on that section.

Mr. Black (Cumberland): Before this section passes, I should like to get some information from the Minister of Transport in relation to the steamship *Kipawo*. This boat was privately owned and operated under a subsidy on the bay of Fundy. During the war, it was handed over to the dominion government for the naval service, after which it was sold by war assets to Newfoundland. As I understand, the boat has been operated out of Newfoundland since then. Can the minister tell the committee whether the ownership of the *Kipawo* now reverts to Canada?

Mr. Chevrier: There is no provision in section 13 or any other section of the agreement to cover the point raised by my hon.

friend. I remember the interest which he had when the matter came up before. He was particularly interested in the ferry service which existed at one time from Parrsboro to Wolfville, via Kingsport, I think. During the war years, this service was stopped. There is no objection to a group of people making an application for a subsidy for such a service, if that is what my hon. friend has in mind. I am sure the maritime commission would give consideration to such an application. At the present time, there is no application before it. Under a section which deals with freight rates and does not deal with ferry services, I doubt very much whether it would be possible to meet the position of the member for Cumberland.

I have dealt with this question before, during the consideration of my estimates. I think I gave a reason then why it was not possible to re-establish the service. I understand there is a road going around the basin of Minas which tourists may use. Alternatively, they could use the ferry between Digby and Saint John. If my hon. friend knows of a group of people interested in establishing a ferry service, I can assure him the maritime commission will give their application the usual consideration.

Mr. Black (Cumberland): I was interested in ascertaining whether the ownership of the *Kipawo* would now revert to Canada or remain the property of the province of Newfoundland.

Mr. Chevrier: As I do not know the corporation or group of people owning the *Kipawo* in Newfoundland, I cannot answer the question, except to refer to the section of the agreement which covers the Clarenville boats. Certainly, it does not cover the *Kipawo*.

Section 13 stands.

Section 14 agreed to.

On section 15—*Immigration Act.*

Mr. Diefenbaker: I should like to say a word about this section of the bill since it deals with the Immigration Act as well as the matter of domicile in so far as lawful admission into Newfoundland is concerned. The reason I mention that at this time is this: I believe the people of Newfoundland have the right to know something which frequently we in this house do not know, and that is the degree to which orders in council have been passed ratifying the unlawful or illegal entry of people into Canada. I should like to raise the question whether or not there are in existence any secret orders in council or orders in council under the Immigration Act, which will become the law of Newfoundland upon the admission of that country to union.

I mention particularly the act as it stands, chapter 93, wherein the rights of persons to enter Canada are provided, and wherein the reasons for prohibiting people from entering Canada are stated. Section 3 of the Immigration Act provides that:

> No immigrant, passenger, or other person, unless he is a Canadian citizen, or has Canadian domicile, shall be permitted to enter or land in Canada, or in case of having landed in or entered Canada shall be permitted to remain therein, who belongs to any of the following classes, hereinafter called "prohibited classes":

Then the various prohibitive classes are set forth. Among those particularly designated are the persons covered by subsections (q) and (r).

These subsections read as follows:

> (q) Persons guilty of espionage with respect to His Majesty or any of His Majesty's allies.
>
> (r) Persons who have been guilty of high treason or treason or of conspiring against His Majesty, or of assisting His Majesty's enemies in time of war, or of any similar offence against any of His Majesty's allies.

The minister has certain powers which are set forth in section 4 of the act. The minister may issue a written permit authorizing any person to enter Canada or, having entered or landed in Canada, to remain in this country without being subject to the provisions of this act.

Section 18 of the act provides that any decision made by a board of inquiry shall be final, except that the minister may, of course, subject to section 4, allow prohibited groups or persons belonging to any of those groups to enter Canada.

The situation to which I have reference today relates to the entry into Canada, illegally and unlawfully, of certain individuals who came in some time prior to the 13th of September, 1948. Those people came into Canada under forged passports. They are not in the position of refugees who, fleeing from political persecution, seek refuge and then afterwards, being found within the country, are granted within the provisions of section 4 a written permit authorizing them to be in the country. In one or more cases these persons come within the qualifications of prohibited persons by reason of conviction within their own country, and of coming in under false, fabricated and forged passports.

Mr. Garson: On a point of order, Mr. Chairman, as I understand it, the matter which is before the committee now is whether section 15 of the act should be considered and passed. With all deference, I think the remarks that my hon. friend is now making have no strict relevancy to this section. Plenty of opportunity will be given him, I

understand, to express an opinion upon the point he is raising, but I suggest that this is not the proper time.

Mr. Diefenbaker: This section to which I am referring brings the Immigration Act into effect and makes it applicable to Newfoundland.

Mr. St. Laurent: It does nothing of the kind.

Mr. Garson: No.

Mr. Diefenbaker: Oh, yes.

Mr. St. Laurent: It does nothing of the kind.

Mr. Diefenbaker: I will read the section. It is as follows:

> For the purposes of the Immigration Act, chapter ninety-three of the Revised Statutes of Canada, 1927, domicile in Newfoundland prior to the first day of April, nineteen hundred and forty-nine, shall be deemed to be domicile in Canada . . .

Mr. Garson: Mr. Chairman—

Mr. Diefenbaker: May I continue my argument on the point of order?

Mr. Garson: Yes.

Mr. Diefenbaker: This Statute Law Amendment Act provides for the necessary changes to make the statutes applicable to Newfoundland. What I am trying to do is to find out—and I think the people of Newfoundland have a right to know—how many secret orders in council were passed by the executive; and in this case I say that, illegally and without any justification under the law, this order in council was passed. I am trying to find out how many of these are today applicable and will be applicable to the new citizenship of Newfoundland when it joins Canada. I submit that, after all, the orders in council that are still applicable to the facts at issue will apply to Newfoundland.

My question at this time is this. To what degree will the secret orders and secret laws —vestiges of the Star Chamber—be in effect and applicable to Newfoundland when Newfoundland is finally admitted to confederation? I start with that question because I think it is one of material importance, the answer to which should be known not only by all those in this house but also by Newfoundland. I want to know the degree to which the exercise of executive power, in this case without any legal justification whatsoever, shall apply to Newfoundland.

Mr. Garson: May I ask whether my hon. friend has finished his remarks on the point of order? Is that the end of the argument?

Mr. Diefenbaker: Yes.

[Mr. Garson.]

Mr. Garson: If it is, I would point out that the section before us does not make the Immigration Act applicable to Newfoundland. It merely provides that, for the purposes of the Immigration Act, domicile in Newfoundland prior to a certain day named shall be considered to be domicile in Canada, and that the expressions "land" and "enter" include lawful admission into Newfoundland under the laws of Newfoundland. That is all it provides. It does not make the law of Canada applicable to Newfoundland. My hon. friend's point of order is therefore not well taken, in my opinion.

The Chairman: I should point out that, under standing order 58 (2), all discussion in committee must be strictly relevant to the clause under consideration. As the Minister of Justice has pointed out, the whole Immigration Act is not being discussed at this time.

Mr. Diefenbaker: I bow to your ruling, Mr. Chairman. I am sure that in saying I bow to your ruling, as I always do, I am not denied the opportunity of saying to my hon. friend that I can realize this is one subject which he did not want discussed at this time.

Mr. St. Laurent: The hon. member is quite wrong. He knows that there have been no secret orders in council. He knows there have been no orders in council that were illegal. He also knows that there will be ample opportunity for him to examine the whole matter. But this is not the time to do it.

Mr. Garson: For the sake of the record, I should like to say that I have no desire whatever to prevent this matter from being discussed. But in a house of this sort I believe it is better to discuss a subject at the proper time.

Mr. Abbott: We must observe the constitution.

Mr. Diefenbaker: That statement of course is quite unjustified. I rose to a point of order. I received an adverse ruling. I accepted your ruling, Mr. Chairman. As to my hon. friend, the Minister of Justice, I would say to him that the rules here are somewhat different from those of the house whence he came.

The Chairman: Shall section 15 carry?

Mr. Lockhart: Will the movement of persons from Newfoundland to any part of Canada be entirely free, just the same as the present movement from one province to another?

Mr. St. Laurent: Exactly the same.

Mr. Miller: Will that word "domicile" be interpreted under the laws of Newfoundland as they are today or under the laws of Canada? Will there be a provincial or a dominion interpretation?

Mr. Garson: As my hon. friend will see when we reach subsequent sections of the bill, it will be interpreted differently, depending upon the section. For example, when you come to citizenship, the domicile that is required in Newfoundland is one year. In Canada it is five years. When we come to that section my hon. friend will see that we will be submitting an amendment to the text of the bill to make the new domicile five years for the purpose of Newfoundland and Canada, in order to have it uniform all across the country.

Section agreed to.

Mr. Abbott: May we revert to section 6, which I believe was held over last night? Someone wanted to ask some questions.

On section 6—*Civil Service Superannuation Act.*

Mr. Knowles: I wished to ask a few questions yesterday but the Minister of Finance was not able to be here at the time. Perhaps he could answer them now. I should like to know the precise basis upon which we take over responsibility for Newfoundland superannuated civil servants. I would break my question in the main into two parts. First of all, what is our responsibility, and how will we discharge it, with respect to civil servants who are already retired? My second question will then be obvious. What is our responsibility, and how will we discharge it, with respect to government employees in Newfoundland who now become federal government employees but have not yet retired?

When the minister is answering my question, I should be glad if he would give some indication as to the rates of pension as between Newfoundland and Canada. Thinking again of the first group, the people who are already retired, are the pensions they are now receiving of the order that our own superannuated civil servants are receiving? Will they be brought up to what we are paying? That is rather the wrong phrase to use because some of them are very low. Will uniformity be established with respect to those who are now retired? The same thing applies to those who are still working. Will they be on a basis comparable to the set-up in Canada?

Mr. Abbott: May I reply first to the question as to what the position will be with respect to the Newfoundland civil servants who are retired prior to the date of union. The agreement of union provides that their pensions will continue to be paid by the province of Newfoundland, and they will be considered as retired provincial civil servants.

The section that we are now considering is designed to give effect to term 39 of the terms of union. Perhaps it would be well if I were to read that, Mr. Chairman. It reads as follows:

> 39. (1) Employees of the government of Newfoundland in the services taken over by Canada pursuant to these terms will be offered employment in these services or in similar Canadian services under the terms and conditions from time to time governing employment in those services, but without reduction in salary or loss of pension rights acquired by reason of service in Newfoundland.
>
> (2) Canada will provide the pensions for such employees so that the employees will not be prejudiced, and the government of the province of Newfoundland will reimburse Canada for the pensions for, or at its option make to Canada contributions in respect of, the service of these employees with the government of Newfoundland prior to the date of union, but these payments or contributions will be such that the burden on the government of the province of Newfoundland in respect of pension rights acquired by reason of service in Newfoundland will not be increased by reason of the transfer.
>
> (3) Pensions of employees of the government of Newfoundland who were retired on pension before the service concerned is taken over by Canada will remain the responsibility of the province of Newfoundland.

This is a fairly complicated matter, as hon. members will appreciate, and during negotiations with the Newfoundland delegation an attempt was made to draft a term of agreement which would provide in detail for the way in which the pensions of public servants transferring to the service of the government of Canada would be dealt with. After a great deal of study it was found to be feasible to include a term only in the rather general language which I have just quoted. That was so because of the many variations between the Newfoundland pension scheme and our own. To illustrate, some of these variations include such things as:

(1) The Newfoundland scheme is noncontributory.

(2) The pension, under the Newfoundland scheme, is based on the average salary of the last three years' service, and the Canadian scheme is based on the average of the salary of the last ten years of service.

(3) In certain cases in Newfoundland a credit is given for longer service than is actually performed.

(4) The rate of computation of the Newfoundland pension is different from the Canadian rate.

(5) War service is treated differently under the Newfoundland scheme from the Canadian scheme.

I give these as an illustration and not as a complete list of variations between the Newfoundland scheme and our own scheme. The experience of the law officers of the crown in drafting section 6 of the bill which is now under consideration was somewhat similar to their experience in drafting term 39. Several attempts were made to draw amendments to the Superannuation Act, our Canadian statute, which would deal in detail with all matters affecting the pensions of transferred public servants. It was found that this could not be done without the most precise information in each case, and more precise information than we have at the moment. As a result of the study it was believed that in general Canada's undertaking in the provisions of the term which I read a moment ago will be fully carried out if the Superannuation Act is made applicable to the transferred employees. Some variations will be made necessary of course by the terms of union. Moreover, in some cases, particularly in the cases of employees who may retire shortly after the transfer, it may be necessary to fix a specific amount in order to give effect to the terms of union.

Subsection 1 of section 6 which is before the committee defines the employees to whom it applies in accordance with term 39. Subsection 2 authorizes the governor in council to take the action just indicated by regulation. Subsection 3 is an administrative section and provides that payments received from Newfoundland under term 39 of the terms of agreement shall be credited to the superannuation account. Payments of superannuation to transferred employees will be made out of the superannuation account.

Under term 39 Newfoundland is bound to reimburse Canada where Canada pays a pension to transferred employees by paying either an amount equal to the amount of pension for his Newfoundland service or an amount equal to the contributions that he would have been required to make if during his Newfoundland service he had been in the Canadian service.

When all eligible employees have joined the Canadian service and all the facts are known, it is expected that it will be necessary for us to make detailed amendments to the Superannuation Act. But until that has happened it is really impracticable, if not impossible, to prepare such amendments. The amendment which is now proposed in this section is merely transitional to put it in the power of the government of Canada to carry out its obligations under term 39. The pensions which will be paid to former Newfoundland civil servants who become pensioners under the Superannuation Act will be paid of course under the same rate of pension as if they had been in the employ of the Canadian government throughout the whole term of service.

Mr. Knowles: The most helpful sentence in what the minister has just said is the suggestion, almost the assurance, that when all Newfoundland civil servants have been taken into the pension set-up there will be an overhaul of the Superannuation Act. If that takes place it will be one more of the advantages of the confederation of Newfoundland with Canada.

Mr. Abbott: It is a pretty good act now.

Mr. Knowles: The minister says, "it is a pretty good act now." I grant that it is in many respects. But, as he knows from information that was placed on *Hansard* yesterday by one of his parliamentary assistants in response to a question of mine, there are a great many Canadian retired civil servants and their widows whose pensions are pitiably small. I hope that the experience of bringing in these Newfoundland people, when it calls for a revision of the Superannuation Act, will result in some consideration of all these people in Newfoundland and in the other nine provinces who are in these low brackets.

I shall try not to stray over the line and to talk on this matter of raising the superannuation benefits of our own employees, because I realize that that is not the subject now before us, and the minister and the committee know my concern about it anyway. But I did note in what the minister said just now a comment with reference to one particular class of Newfoundland civil servants. I was wondering about this group as he was going along, and he answered my question. He said that in the case of Newfoundland employees who would come into the Canadian civil service and then retire shortly afterwards—he may have said within a year or two but that was the impression I got—it might be necessary to fix, under the amendment that we are now passing, a sum to provide pensions for these people. I take it that the reason it might be necessary would be out of simple justice, namely, that otherwise the amount of pension that these people would have would be far too small.

Mr. Abbott: No; I am sorry if I misled my hon. friend. I simply meant that in that event it might be necessary to fix rather arbitrarily an amount to be paid into the superannuation fund with respect to that particular employee. There will be—or should be—no difficulty in establishing the pension to which he is entitled.

Mr. Knowles: My optimism has led me up the wrong path again. I thought there was something in it for the poor government civil servant who, when he would retire, would

find that his pension was $20 or $30 a month, such as some retired civil servants receive now. That is what I thought he meant; so I urge upon the minister that when these people come in, just as soon after April 1 as possible, consideration should be given to the plight of superannuated civil servants from British Columbia to Newfoundland, particularly those in the lower brackets.

Mr. Green: Is it the intention that superannuation benefits of a civil servant employed in Newfoundland will be the same as those of a civil servant employed in British Columbia?

Mr. Abbott: That is right. We will make no difference between our civil servants in any province. And, provided they come into the civil service of Canada—that is, provided members of the former Newfoundland civil service are taken over and come into the civil service of Canada—they acquire all the rights of Canadian civil servants. On superannuation they will receive Canadian superannuation at Canadian rates under the superannuation act. Perhaps a rather difficult adjustment will be necessary, between the dominion of Canada and the province of Newfoundland, in their respective contributions to the superannuation fund. However, that is a technical and mathematical matter which need not concern the civil servants, particularly.

Mr. Knowles: The minister spoke about the possible overhauling of the superannuation act after all these Newfoundland people come in.

Mr. Abbott: My only reference was with respect to the amendments necessary to make the act properly applicable to Newfoundland.

Mr. Knowles: Granted. My question is this: Is that just a suggestion the minister is now making as something which will probably take place, or was there any kind of commitment given to the Newfoundland delegation that that would be done?

Mr. Abbott: It had nothing to do with the Newfoundland delegation. It is purely a matter of domestic management for ourselves. But my officers who are charged with the responsibility of administering the superannuation act inform me that, when all the facts with respect to the incorporation of Newfoundland civil servants are found, it will probably be necessary to make some special amendments to the superannuation act in specific terms in order to carry out our undertaking under the terms of union.

Mr. Bentley: There are in Canada at the present time a certain group of veterans of the armed services who have been or are civil servants, and who feel they have been excluded from having their time in the services included in their government employment for superannuation purposes. I am not going to discuss the matter further, because I believe they have sent in a report which is being studied by a departmental committee. However, is there a comparable group in Newfoundland, and how are they being treated?

Mr. Abbott: I am afraid I cannot say. I have not any information at the present time on the subject. All I can say is that, with respect to superannuation privileges, those Newfoundland civil servants who are veterans will be treated as other Canadians. I mentioned that among the variations between the Newfoundland pension plan and our own was a difference in the method of treating veterans. Newfoundlanders, when they become Canadians, will receive the benefits of Canadian law in that respect.

Mr. Hazen: Will any of the services which have been carried on by the Newfoundland government be discontinued by the dominion?

Mr. Abbott: It is perhaps a little difficult to answer that question. The officers of the two governments have been examining existing services in Newfoundland to see which of those services will be taken over by the dominion and which will probably be continued as provincial responsibilities. It might well be that there are some existing provincial services which would be merged with the dominion service; I should think that extremely likely. However, I should not like to make any specific answer at the present time.

Mr. Cockeram: How many civil servants are there in Newfoundland at the present time?

Mr. Abbott: I have not that information at hand; but I can get it readily and give it to the hon. member before the discussion on the bill is concluded.

Mr. Pearkes: Reverting to the question asked by the hon. member for Swift Current, is it not an instance of the disadvantages of the Canadian system being applied to ex-members of the armed forces from Newfoundland? This applies particularly to the recipients under part V of the Militia Pension Act as compared with the recipients under part IV, as a result of which the recipients under part IV have credit for their overseas service while those under part V have not?

Could the minister say whether those same distinctions apply in Newfoundland and, if so, whether the recipients under a regulation corresponding to that under our part V of the Militia Pension Act are again to be handi-

capped by confederation, or whether the government is considering now amending the regulations under part V so that they will conform with those under part IV.

Mr. Abbott: This section does not relate to the Militia Pension Act. The pensions we are here considering are those under the Civil Service Superannuation Act. My colleague the Minister of National Defence is not in the chamber at the moment, and I do not know what his view would be with respect to the Militia Pension Act which, as my hon. friend knows, is on a basis somewhat different from the Civil Service Superannuation Act.

Mr. Pearkes: I raised the point only because it was raised by the hon. member for Swift Current.

Mr. Abbott: I thought the hon. member for Swift Current was referring to war service by veterans constituting service in the civil service of Canada under the superannuation act—at least that was my understanding of the point he made.

Mr. Pearkes: It is exactly the same thing.

Mr. Richard (Ottawa East): Will the pensions paid to Newfoundlanders be charged against contributions already made by Canadian civil servants, or will that be a special vote?

Mr. Abbott: There will have to be a special vote by the House of Commons of the amount necessary to put in the superannuation fund an amount appropriate to cover the pensions of the Newfoundland civil service.

Mr. Bentley: Over and above the other sum?

Mr. Abbott: It will have to be a special vote.

Mr. Green: How much will it be?

Mr. Abbott: It has not yet been possible to estimate it.

Mr. Green: In approximate figures?

Mr. Abbott: I gave a figure the other day. I am speaking from memory, but I believe my estimate for the first year was something in the order of $2 million. I do not wish to be held to that, but I believe that was the figure I mentioned. It will be a reasonably substantial sum.

Mr. Brooks: Did I understand the minister to say that any civil servant retired now in Newfoundland would be paid by the provincial government of Newfoundland?

Mr. Abbott: That is right.

Mr. Brooks: With respect to any civil servant who will be retired within the next year, does the federal government pay the full amount of the retiring pension, with no contribution?

Mr. Abbott: No. The terms of union, which I quoted before the hon. member entered the chamber, provide that a Newfoundland civil servant who becomes a Canadian civil servant will, upon retirement, be paid the Canadian superannuation at the rate provided in the superannuation act, and the cost of that pension will be divided between the two governments. Broadly speaking, the Canadian government will pay a contribution to cover his service in the Canadian public service, while the Newfoundland government will pay an amount to cover his service in the Newfoundland civil service.

Mr. Green: The minister mentioned an amount of $2 million to be paid this year. Will there be payments each year in the future, or is that payment of $2 million final?

Mr. Abbott: I do not know that I can give my hon. friend a definite answer at the moment, but speaking generally I would think that in a subsequent year when all the civil servants have been taken into the Canadian service and it is possible to assess their service in Newfoundland and decide what proportion we shall pay here a further lump sum will have to be voted. It may take six months or a year to make that assessment, but after that I would think that the contribution would be the regular one that we vote each as the government's share.

Mr. Green: Has the minister an estimate of what that second payment will be?

Mr. Abbott: I am told that it has not been possible as yet to make an estimate.

Mr. Green: Could the minister not give an approximate figure?

Mr. Abbott: I am told that the major portion would be included in the $2 million figure that I gave, but I caution again that that is only an estimate. As hon. members know, this pension business is a terribly complicated thing mathematically and actuarially. A good deal of basic data is required, and then when you have that data you must make many actuarial calculations before an amount can be finally arrived at.

Mr. Green: How do the salaries compare at the present time?

Mr. Abbott: I understand that in most cases they are somewhat lower in Newfoundland.

Mr. Lennard: If the rates in Newfoundland are lower than in Canada will the Newfoundland civil servant be required to make up any back contributions?

Mr. Abbott: The obligation will be upon the government of Newfoundland to make the contribution, as the Newfoundland system was not a contributory system. As I understand, they do not have a superannuation fund as we do, the pensions being voted each year out of current revenues. Under those circumstances it was necessary that the contribution should be made by the Newfoundland government.

Mr. Cockeram: May I ask the minister first if there has been a pension fund in Newfoundland and if contributions have been made by the employees?

Mr. Abbott: There has never been a contributory pension fund of any kind in Newfoundland. I am informed that the government pays the pensions out of current revenues.

Mr. Case: This discussion, of course, has regard to future conditions that will arise when union is completed. Will there be any financial obligation on the part of Canada to Newfoundland before March 31? Will these amounts be included in our budgetary plans for the next fiscal year?

Mr. Abbott: It will all be after March 31. As I explained the other day, when final steps have been taken it is my intention to bring in special supplementary estimates showing the amounts which it is expected will be spent in the public service in Newfoundland during the fiscal year commencing April 1. While I am on my feet I should like to correct an answer I made to the hon. member for Vancouver South in connection with the $2 million figure. That figure related to our contribution to the unemployment insurance fund and not to the superannuation fund. I am informed that no estimate can be made until more is known about what civil servants will be taken over and until Newfoundland decides which of the two options she will exercise. Those options are provided in article 39 of the terms of union. Newfoundland may make a contribution to Canada in respect to the service of its employees or it may reimburse Canada for the pensions of those employees. The amount which it will be necessary for Canada to pay into the fund will depend to a large extent upon which option is exercised.

Mr. Green: Has any estimate been made of the amount that would be involved in each plan?

Mr. Abbott: It has not been possible to make an estimate. That was one of the terms of union to which the Newfoundland delegates attached a great deal of importance: that the public servants of Newfoundland would have their position protected and be taken into the public service of Canada without prejudice to their pension rights. Naturally we could not have two classes of civil servants in the country; they must all be treated in a comparable fashion. Therefore the Newfoundland civil servants who come over to our service will get the Canadian rates of pension, but the Newfoundland government will have to decide which of these two options it wishes to exercise in making its contribution. One may be slightly more advantageous than the other, although it is hard to say at the moment. I am told that that would depend upon the number of civil servants affected, the length of their service and so on; but, generally speaking, the feeling of the Canadian government was that we should be fair and generous in this particular field.

Mr. Richard (Ottawa East): Is there a Canadian pension fund comparable to the unemployment insurance fund, or are all contributions paid into the consolidated revenue fund?

Mr. Abbott: The superannuation fund is a special fund set up under the superannuation act, and it is from that fund that the pensions are paid.

Section agreed to.

Sections 16 and 17 agreed to.

On section 18—*Militia Pension Act.*

Mr. Pearkes: I do not want to embarrass the minister by repeating the question I asked a few minutes ago on the other section, but I ask him to note that under the Militia Pension Act certain members of the permanent force were let out of the service before they had completed their normal term of service. They were retired to pension, but had they stayed in the service a few more years they could have retired under Part IV. Under Part V they are not in the same advantageous position as those who had retired under Part IV, should they enter the public service of Canada.

I do not know whether they have anything comparable to our Part IV and Part V in Newfoundland and I should like to ask if consideration has been given to amending Part V of our Militia Pension Act in order to make it comparable to Part IV. I urge that it would be to the advantage of Canadian ex-service personnel and Newfoundland ex-service personnel if that could be done so that the conditions of Part IV would apply to all those who seek service in the public service of Canada.

Mr. Abbott: As far as I am aware no consideration has been given an amendment such as that to which my hon. friend refers. I am not as familiar with the provisions of the Militia Pension Act as he is, or as I am with the superannuation act, which comes more directly under my jurisdiction. But I shall consider the suggestion he has made and I shall bring it to the attention of the Minister of National Defence.

Mr. Pearkes: I ask the question because I brought the suggestion to the attention of the Minister of National Defence during last session, and he mentioned that it was receiving consideration at that time. If possible I should like to know what has been the result of those deliberations.

Mr. Abbott: I shall bring my hon. friend's point to his attention.

Mr. Cockeram: Can the minister tell us how many men come under the Militia Pension Act, and also what the cost of this is likely to be?

Mr. Abbott: I am afraid that to have these questions answered the section will have to stand until the Minister of National Defence is here, because I have not that information. They have sent to ask if he can come down, and I understand he will be here in just a few minutes.

Section stands.

On section 19—*Old Age Pensions Act.*

Mr. Green: I had hoped to ask the Prime Minister a question in reference to section 19. I wonder if it could stand, too?

Mr. Knowles: Before it is allowed to stand I want to direct a question to the Minister of Justice. It is a question of a legal nature, not with regard to the substance of the old age pension question. The minister is smiling; perhaps he was hoping I would do the other.

Mr. Garson: Which other?

Mr. Knowles: Talk about the substance of old age pensions, or the lack of substance. My question is this. In some other sections of this act which the Minister of Justice is piloting through the house there are references to the effective date of April 1, 1949. For example, in section 18, with which we were just dealing, that is the case. There is no such reference in section 19. It simply says that for the purposes of the Old Age Pensions Act residence and presence in Newfoundland shall respectively be deemed to be residence and presence in Canada. By the provisions of the last section of the bill, this act does not come into effect until midnight of March 31 of this year. Perhaps the minister sees my point. Is there any danger after March 31 of an applicant for old age pension in the province of Newfoundland claiming that residence in Newfoundland prior to March 31, 1949, was residence in Canada, and finding that this section does not say so? Please note that the preceding section talks about service or domicile, or something of the sort, in the forces of Newfoundland prior to April 1, 1949. It does not say that in section 19, and my fear is that later on somebody in the minister's department may say, "Well, residence in Newfoundland is residence in Canada from and after the date this act came into effect, but not necessarily so prior to that date". It is no longer proper in this house to say that one is not a lawyer, but the fact is I am not; nevertheless I suggest that it might have been wise to say "residence before or after April 1, 1949" or something similar.

Mr. Garson: Under the Old Age Pensions Act certain consequences flow in favour of the applicant for an old age pension by virtue of his residence or presence in certain places. He has to be resident and present in certain places in order to get a pension. The meaning of section 19 is that on and after March 31, the date on which it comes into effect—and that is the effective date of the union—residence and presence in Newfoundland shall be deemed, for the purposes of the act, to have all the consequences that residence and presence in Canada would have. I think my hon. friend has answered his own question by very astutely, for a layman, looking at the last section of the act and discovering the date it comes into effect; because if the act comes into effect on March 31, as there stated, it is not necessary from a drafting point of view to repeat that in section 19.

Mr. Knowles: If I answered my own question, the minister has now raised a doubt in my mind. From what the minister says it is perfectly clear that on and after April 1, 1949, residence in Newfoundland will, for the purposes of the Old Age Pensions Act, be residence in Canada. But I am concerned about the person who two years from now will be seventy, who will apply for old age pension and say, "I have had twenty years' residence in Canada, eighteen years in Newfoundland prior to confederation and two since." I thought the understanding was that such a person would qualify. I see the Minister of National Health and Welfare is here now, and I would ask him if that is not the case.

Mr. Martin: There is no doubt about that.

Mr. Knowles: I agree with the minister that under the terms of union there is no doubt as to the intention; but in what he has

said just now the Minister of Justice has made it clear to me at least that residence in Newfoundland after April 1, 1949, is residence in Canada.

Mr. Garson: The act comes into effect on March 31. If the vote taken in the house the other day, for example, had gone the other way, there would be no union at all. Once this amendment is made to the act, however, it provides that the residence which has taken place prior to the application being made can be residence either in Canada or in Newfoundland, either of which will be equally effective for the purpose of securing a pension for the applicant.

Mr. Knowles: If the minister is satisfied, and the Minister of National Health and Welfare makes it very clear that is what is meant, I need not worry about it unless the problem comes up. But I am still puzzled as to why it was not written into section 19 as it was into section 18, where there is something similar.

Mr. Garson: If my hon. friend will look at section 18 he will see that it is a provision to add to section 53 of the Militia Pension Act subparagraph (gg), and it has to be read along with the preceding part of the paragraph. If my hon. friend checks it up I think he will find there an answer to his question.

Mr. MacInnis: I was just wondering if another layman might give a legal opinion on this. Does not section 19 merely state that for the purposes of the Old Age Pensions Act Newfoundland will be a part of Canada?

Mr. Garson: That is right.

Mr. Martin: That is to say, if a Newfoundlander lived in Canada for two years and had lived in Newfoundland for eighteen years, we would add the two years to the eighteen spent in Newfoundland. After the passage of this act, for the purposes of the Old Age Pensions Act residence in Newfoundland is deemed to be residence in Canada.

Mr. Green: When this section was called I asked that it stand because the Prime Minister had left the chamber. Since then the Minister of National Health and Welfare has come in, as well as the parliamentary assistant to the Prime Minister, and I shall be glad to ask my question now so the section may pass.

During the discussion the other day, there was a suggestion that an attempt should be made to provide for old age pensions commencing on the 1st of April, if that were at all possible. Some of us suggested that the Canadian parliament could make provision for retroactive payments, subject, of course, to the government of the new province of Newfoundland making some similar provision. I think there is a way in which that can be done. In any event, I should like to ask the minister to give careful consideration to the matter because I believe everyone in this house wishes to see old age pensions payable in Newfoundland on the 1st of April, just as family allowances are to be payable.

Section 3 of the Old Age Pensions Act is so worded as to make it possible to bring about that result, subject to the provincial government of Newfoundland passing an old age pensions act and providing that the pensions shall commence on the 1st of April. Section 3 reads as follows:

> The minister, with the approval of the governor in council, may make an agreement with any province for the quarterly payment to such province of the total of the amounts the government of Canada is under sections eight and eight A of this act authorized to contribute—

These are the words I stress.

> —in respect of pensions paid during the preceding quarter by the province pursuant to any provincial statute, to the persons and under the conditions specified in this act and the regulations;

It will be noticed that the dominion can pay if the province has authorized payment. There is no restriction upon the dominion making these payments for a prior period.

Sections 8 and 8A of the act would seem to me to contain no provision that would prevent these payments being made as of the 1st of April. I would ask the ministry to give very careful consideration to the question whether, if the government of Newfoundland passes an act calling for payments commencing on the 1st of April, Canada can make her contribution likewise commencing on the 1st of April.

Mr. Martin: I can assure my hon. friend that, not only will there be no delay, but there will be a great desire on the part of this government to enter into an arrangement with the new province of Newfoundland to make payments under the Old Age Pensions Act at the earliest possible date. If it can be done the 1st of April, it will be.

Mr. Claxton: Supplementing my colleague's answer, I should add that the matter received very serious consideration during the negotiations. The situation was examined from every possible point of view. It does involve serious difficulties which the hon. member will appreciate. This government will do everything to overcome those difficulties, but the question is, can they be overcome legally without getting this arrangement out of line with the other provinces?

Mr. Green: That is what worried me the other evening. The Prime Minister and the Minister of National Defence seemed to take

the position that no provision could be made for retroactive payments because the other provinces might claim there had been unfairness. I do not think there is anything in that argument. I do not believe any of the other provinces would claim there had been unfairness. I do suggest that, as the Old Age Pensions Act reads today, it is possible for Canada to provide for the payments to start on the 1st of April. I believe that should be the only test. If it cannot be done under the present act, that may be a reason for not making the payments retroactive. I do not believe it is a good reason, however, since the Old Age Pensions Act could be amended as it is being amended by section 19 of this bill. I do ask the minister to give further consideration to this question.

Mr. Martin: My answer was as complete as possible. We are anxious to enter into an arrangement with Newfoundland as quickly as possible.

Mr. Nicholson: I was interested in the comments the Prime Minister made when this matter was dealt with before. He admitted it would have been possible for the commission of government in Newfoundland to provide for the payment of old age pensions immediately. I would imagine, if these details had been discussed with the delegates from Newfoundland, financial arrangements satisfactory to the people of Newfoundland could have been made. I am sure this type of legislation would be very popular with the people. I cannot see any good reason why the commission of government was not prepared to pass the necessary legislation to enable payments to start on the 1st of April. Will the Minister of National Health and Welfare or the Minister of National Defence indicate why that procedure was not followed?

Mr. Martin: I can only say that the government of Newfoundland will have to speak for itself. I cannot make myself any clearer. I have said that the government will be anxious to enter into an agreement with the provincial government of Newfoundland, as it then will be, at the earliest possible moment. We are anxious that the old age pensioners of that province receive at the earliest possible date the benefits which the act provides. Seventy-five per cent of the pension is to be borne by this government.

Mr. Nicholson: Would the minister indicate what attitude the delegates took during the discussions? For what reason were they not prepared to proceed?

Mr. Martin: I do not think it would be proper for any of us on this side to say what is the policy of the government of any province.

[Mr. Green.]

Mr. Graydon: Mr. Chairman, for once I find myself in agreement with the Minister of National Health and Welfare.

Mr. Martin: We have agreed many times.

Mr. Graydon: I am speaking of this afternoon. I do not see how the minister could give any other answer than the one he gave with respect to the attitude of the government of Newfoundland; after all, we cannot speak for the Newfoundland government. But that does not touch the point that ought to be considered. This government can say what it would do, if it is not too timid.

When an agreement is entered into with the provincial government of the new province of Newfoundland, will this government be prepared to make payments to the old age pensioners provided that is the desire of the Newfoundland government and provided that government is prepared to pass the necessary legislation to make these payments retroactive? The government can answer that question because it is a subject within the jurisdiction of this government.

I do not want to repeat all I said before, but perhaps I can put some of it more clearly. We all know that the machinery of government sometimes operates slowly. I am quite sure there is no one who understands that mechanism better than the present administration, so they will understand what I am driving at. First of all, the setting-up of the provincial government is one thing; to have a provincial constitution set in operation after the 1st of April is another. To have a provincial election is one thing and to have a provincial cabinet is another. The setting-up of the necessary offices and administrative detail enters into the question of old age pensions.

So long as this government sees fit to have on the statute books a statute that calls for means tests and all that kind of thing, may I say, as one who has at least observed how slowly the machinery of government sometimes operates, that I think it may be a long time before the pensioners of Newfoundland will find their first old age pension cheques in the post office box. That is the thing that bothers me. I can understand that at the moment perhaps this government can do little in the way of hastening the date when the first cheque may be given. But they can overcome the disappointment, the discouragement and, if I may say so, the injustice, by making retroactive to April 1 the payments under the Old Age Pensions Act to every one of Newfoundland's senior citizens who is entitled to the old age pension. This government and the provincial government of Newfoundland will be largely forgiven for the delay, provided the old age pensioners know that, when that cheque comes, it will be a cheque covering the whole period from the

day Newfoundland entered confederation until the day the cheque arrives.

One other matter which was raised in this debate, and I think in a previous one as well, was that perhaps some other parts of Canada might be offended because Newfoundland old age pensioners were to get a retroactive payment. I do not think anyone anywhere in Canada will quibble over a matter of that kind.

Mr. Mitchell: The hon. member has changed his position since yesterday.

Mr. Graydon: I do not think the minister understood our position anyway.

Mr. Mitchell: I do not think the hon. member understood it either.

Mr. Graydon: There are many other things I might say about the agreement. I think we should take it for granted that Canada is prepared to see that the old age pensioners of Newfoundland are given retroactive payments to April 1. Despite what the Minister of Labour may say about it, I think we on this side of the house at least can guarantee that there will be no opposition to such a course.

Mr. Green: I think there would be great value in the government's giving an assurance that Canada is prepared to make these payments retroactive to April 1. If Canada gives that assurance, it is much more likely that the new government of Newfoundland will pass the necessary provincial legislation. For that reason, if for no other, I hope that the government will come right out and say whether or not it is prepared to make these payments retroactive.

Mr. Martin: The hon. member for Peel has been, I am sure, intentionally helpful in what he has had to say, and for that reason I greatly appreciate his remarks. The same applies to other members. I can only repeat what I have said twice already, namely, that the government does not require any additional legislation to enter into an agreement with a province with a view to providing the benefits under the Old Age Pensions Act. As this is a matter that does not involve action by one government alone, but presupposes an arrangement between the federal government and a provincial government, I am sure hon. members will agree that I can do nothing more than say that just as soon as the government of Newfoundland asks for an agreement to provide old age pensions this government will enter into such an arrangement.

Mr. Graydon: May I ask the minister if he is favourable to the proposal I have just made in the committee?

Mr. Martin: I do not think I can answer the question any more clearly than I already have.

Mr. Graydon: I think the minister could because all he has said is that the government is prepared to enter into an agreement with Newfoundland once a provincial government has been set up. But that is not what I asked of the government. I wanted to find out what the government's policy would be on the proposal that I have made to make these payments retroactive to April 1. There is no harm in the government, if they favour the proposal, saying that if Newfoundland were willing, the government is willing. That is all I asked the minister to do.

Mr. Martin: I have said that.

Mr. Graydon: I do not think the minister has.

The Deputy Chairman: Shall the section carry?

Section agreed to.

The Deputy Chairman: Section 18 stood.

On section 18—*Militia Pension Act.*

Mr. Pearkes: I had asked the minister a question and I think he said he would get the answer later. That would be satisfactory.

Section agreed to.

On section 20—*Pension Act.*

Mr. Bentley: It is a pity that in the bill these statutes have been drawn up in alphabetical order, because this section and section 50 are similar. The former deals with pensions and the latter with the war veterans allowance. I notice that section 20(3) reads as follows:

> A British subject resident and domiciled in Newfoundland at the time of enlistment who served in the naval, military or air forces of His Majesty or in any of the naval, military or air forces of any of the countries allied with His Majesty during world war II shall be deemed to be a member of the forces for the purposes of section eleven of the Pension Act . . .

There is a similar paragraph in section 50 of this act dealing with war veterans allowance. What this means is that Newfoundland veterans who were imperial veterans, and will be up until the time of union, are now to come under the benefits of Canadian pension and other legislation applying to veterans. I have no quarrel with that. I am glad of it. It should be that way. But it seems to me that the government should now go a step further and proceed to include, for the purpose of this section and other parts of the veteran legislation, those imperial veterans who at present are excluded simply because they did not actually live in Canada the day before they enlisted. If the government is

not generous in this regard, and if the imperial veterans who have had long years of residence in Canada between the wars—and some before world war I—are not included, they will feel discriminated against. I think this opens up a way for the government to make a generous gesture. The Minister of Veterans Affairs should give us some assurance that the government is considering action of that kind.

Mr. Gregg: I think the hon. member's conclusion is slightly overdrawn. This section 20, for purposes of pension, places those who served in Newfoundland on exactly the same basis as those who served in Canada, whatever their home or origin may have been.

Mr. Bentley: That is true. But the fact remains that up until April 1 of this year they were imperial veterans.

Mr. Garson: Oh, no.

Mr. Bentley: Oh, yes. The veterans of world war I were imperial veterans, and there are veterans of the same class who live in Canada.

Mr. Gregg: Those who served in world war I were, for the most part, serving on behalf of Newfoundland just as those who in world war I served on behalf of Canada. Those who served in world war II were Newfoundlanders who served in British units but could not perhaps be classified exactly as what we have always referred to in Canada as imperial veterans.

Mr. Green: I think the hon. member for Swift Current has raised a good point, and I hope there will be an opportunity to discuss it further when we are dealing with the War Veterans Allowance Act. I have understood, from the terms of union and also from the proposed arrangements which were submitted by Canada to Newfoundland in October of 1947, that the veterans of Newfoundland were to be placed in the same position as the veterans of Canada. I thought that was the underlying principle. I submit that that is not being done by the present legislation. For example, subsection 1 of section 20 refers to sections 45, 46 and 46A of the Pension Act. Subsection 2 deals with section 11 of the Pension Act, and subsection 3 also deals with section 11 of the Pension Act. As far as these sections of the Pension Act which are referred to are concerned, perhaps this amendment is all right. But take for example section 21 of the Pension Act which provides for a meritorious service pension. As hon. members know, a veteran unable to qualify for pension directly by reason of his disability having been caused by war service, if he has meritorious service, is still able to get a pension under section 21. The same is true of the widow or the dependents of a veteran who was unable to qualify directly under the provisions of section 11.

This new section 20 is not going to be of any help to a veteran of Newfoundland in getting a meritorious service pension. It looks to me as though he is just out of luck when it comes to qualifying for a meritorious service pension. Therefore that veteran is certainly not being put on the same basis as he would be if he were a Canadian veteran. Another example will be found in section 33 of the Pension Act which provides for payment to a veteran's parents who are in need. The qualification there is that it must be the parents of a member of the forces. I would have thought that a member of the forces, as defined in the Pension Act, should have been extended to include members of the forces of Newfoundland as well as members of the forces of Canada. If that had been done, the parents of a Newfoundland veteran would have been eligible under section 33. Another example is the dependent brother and sister, which comes under section 34 of the Pension Act. The act reads that the dependent brother and sister of a member of the forces can get a pension under certain conditions. Because a member of the forces is not defined to include a Newfoundland veteran, his dependent brother and sister cannot qualify under section 34. I have not had time to go through the Pension Act carefully but I have no doubt that there are other instances in which the veteran of Newfoundland is not going to be in the same position as the veteran of Canada simply because the amendment to the Pension Act is restricted to these sections which are referred to in section 20 of the bill before us.

If the intention is that the Newfoundland veteran shall become to all intents and purposes a Canadian veteran, then section 20 had better be withdrawn and the law officers of the crown had better work out some sort of an amendment which will make the Newfoundland veteran in effect a Canadian veteran. Without going into it carefully, I think it might be done by defining a member of the forces as including a member of the Newfoundland forces.

Mr. Garson: If my hon. friend will look at the explanatory note of section 20 he will see that this amendment is required by term 38 (a) of the terms of union. By comparing term 38 (a) of the terms of union with this section 20 he will discover that—

Mr. Green: Actually it should be 38 (b).

Mr. Garson: In any event, whether it is (a) or (b), the instructions from which the law officers of the crown work in a case of this kind are the terms of the agreement which was reached between three sovereign governments. That is a circumstance which hon. members should not overlook. Ordinarily, when a government brings down a bill, there is room for the persuasive powers of the opposition to convince the government that it has taken the wrong position and that it should modify the terms of the bill which is before the house. But where you are implementing an agreement reached between governments, the Canadian government in fairness to the Newfoundland government, which is one of the parties to this arrangement, must in all honesty carry out the provisions which have been agreed to. If hon. members will make that comparison they will see that section 20, which is approved by the pension commission, is reflecting exactly the conclusion reached by the delegates when here as set out in term 38 of the terms of union. It completely fulfils that requirement. These are our instructions. That is all we can draw the bill to. We have an agreement. Our task is to draw a bill which carries into effect the terms of the agreement. I suggest that we have no power to vary it.

Mr. Green: May I follow up my point? If this section stands as it is submitted to the committee today the result will be that there will be two kinds of Canadian veterans, namely, the veterans in the nine provinces who get all the benefits of the Pension Act and the veterans in Newfoundland who get only some of the benefits of the Pension Act. I am sure that we do not want that condition to exist in our pension legislation. The Minister of Veterans Affairs and his parliamentary assistant have both said, if not vocally at least by nodding their heads, the intention is that the veteran of Newfoundland is to be treated in exactly the same way as the veteran of Canada. Frankly I would be amazed if that were not the intention of these two hon. gentlemen and in fact the intention of every hon. member.

Mr. Mutch: That is the contract.

Mr. Green: The Minister of Justice takes the stand that there is an agreement between the three governments and therefore Canada must comply exactly with that agreement. The Minister of Veterans Affairs is sitting behind the Minister of Justice. He says that the intention of the Canadian government was to treat the Newfoundland veteran in the same way as the Canadian veteran is treated, and the terms of union are open to that interpretation. I admit that on this point they are not as clear as they should be. That is why when opening my remarks I asked whether it was the intention that the veterans in both dominions should be treated in the same way. The terms of union contained in term 38, which are applicable, read as follows:

> 38. Canada will make available to Newfoundland veterans the following benefits, on the same basis as they are from time to time available to Canadian veterans, as if the Newfoundland veterans had served in His Majesty's Canadian forces, namely. . .

Paragraph (a) deals with war veterans allowances. Paragraph (b) deals with pensions and reads as follows:

> (b) Canada will assume as from the date of union the Newfoundland pension liability in respect of the first world war, and in respect of the second world war Canada will assume as from the date of union the cost of supplementing disability and dependents' pensions paid by the government of the United Kingdom or an allied country to Newfoundland veterans up to the level of the Canadian rates of pensions, and, in addition—

Mark these words:

> —Canada will pay pensions arising from disabilities that are pensionable under Canadian law but not pensionable either under the laws of the United Kingdom or under the laws of an allied country.

I suggest that, in view of the wording of that term and the stand taken today by the Minister of Veterans Affairs, the amending legislation should be such that the Newfoundland veteran would get exactly the same treatment as the Canadian veteran. That certainly is not done under section 20 of the bill.

Mr. Gregg: I do not propose to enter into a legal argument; but I reaffirm that not only is it the intention of the government that the Newfoundland veterans shall be treated in every respect, both in general and in detail, as Canadian veterans, but that this point was also discussed fully by the two delegations in conjunction with the officers of the Department of Veterans Affairs, including our own legal representatives. I was assured definitely that the points the hon. member has made, and others in the same category, could be worked out in exactly the way he and I desire they should be worked out.

Mr. Green: It is not a matter of how it can be worked out. It should be set out definitely in the legislation, so that anyone who reads is can understand it. I submit that, if this section 20 contains the only amendments to the Pension Act, Newfoundland veterans will be ineligible for meritorious pensions, the parents of Newfoundland veterans will be ineligible for the benefits set out under section 33, and dependent brothers and sisters of Newfoundland veterans will be ineligible for the benefits in section 34. And there may

be other benefits from which they are excluded, simply by reason of the way in which this amendment to the Pension Act has been drawn.

I do urge upon the ministry seriously that they do not try to stand on their present amendment and say, "It is good enough; we can get around the difficulty later in some fashion or other." I suggest that they ought not to take that attitude, but that they should go right back and have the law officers of the Department of Veterans Affairs and the Department of Justice go through the Pension Act with a fine-tooth comb with a view to making whatever amendments are necessary to make the Newfoundland veteran in effect a Canadian veteran.

Mr. Mutch: During the consideration of pension legislation in conjunction with the delegation from Newfoundland, the intention was clearly expressed, and has been re-expressed here today, of making the position of the Canadian Newfoundlander, as he will be after he becomes a Canadian, exactly the same as that of other Canadians. We examined this carefully and in detail with the pension commission itself, which, as my hon. friend knows, has in the interpretation of the Pension Act the powers of a high court—

Mr. Green: That may be; but they make mistakes.

Mr. Mutch: I am sure they would be the first to admit it. However in committee we did have the advantage of their opinion, and also had advantage of legal opinion from our own department. We have been assured that it will be possible to make operative, the undertaking made in section 38 of the agreement with the changes proposed here. In other words, the best advice we can get is that these changes are all that are necessary to make the Canadian Pension Act fully operative so that there shall be no distinction between the Canadian who was born and all his life has been living in what is now Canada and the new Canadian who will become such as of March 31 this year.

That is the intention of the legislation; that is the agreement. I shall not argue on legal grounds with my hon. friend—I have tried it once or twice with varying results. However, that is our advice; that is our conviction, and that is the intention of the agreement. If it should prove that my hon. friend is right, and that at some later date some further changes are required, they will be sought.

Mr. Green: What is the objection to changing the definition of "member of the forces" as it appears in section 2 (1) (i) to include service in the Newfoundland forces? The definition now reads:

> "a member of the forces" means any person who has served in the naval, military or air forces of Canada since the commencement of world war I.

Mr. Mutch: I think the reason is that there is a desire not to confuse terminology but to make application of benefits to Canadian forces to all intents and purposes identical to the Newfoundlander who served in the Newfoundland forces. That is after March 31 it would place him in the same position as the Canadian who served in the Canadian forces. In order not to confuse terminology, it was not done. Our opinion is that it is not necessary, to make it operative; and if it is not necessary, I submit it is useless to clutter up the act with it.

Mr. Bentley: The explanations of the minister and his parliamentary assistant are most encouraging; and their words on *Hansard* will no doubt carry some weight. But they would not carry weight in a court of law, because they are not written into the act. I am only a layman in legal matters; but, in listening to the hon. member for Vancouver South who is a lawyer, and having sat with him in the committee on veterans affairs, I am pretty sure he is right in this instance. Yet, where this section states that it applies to certain sections of the Pension Act, it must automatically exclude other sections.

If it was the intention of the government to do those things which the minister and his parliamentary assistant have said it is their intention to do, then why could it not be done in the act and thereby be given the force of law so as to remove any shadow of doubt some of us might have. Because certainly what the hon. member for Vancouver South has said is going to take place. No matter what the future intention might be, if this passes, changes will find opposition. And when the opposition comes, it may be some time before it can be overcome. Newfoundland veterans brought in under the act may be affected.

Why could not the law officers of the crown or other legal gentlemen discover a way of including them, without having to mention only some of the sections in which they are included? Why could not the whole dominion act have been made to include Newfoundland veterans?

When we reach section 50 we will find the same difficulty. In that section certain portions of the War Veterans Allowance Act will be given force of law; and, as those sections are cited in the bill, it automatically follows that the other sections are excluded. What I suggest would be a simple procedure; and I notice the hon. member for Vancouver South nods his head in agreement.

Mr. Garson: I do not think there is any doubt that the amendment as drafted carries into effect exactly those conclusions reached by the delegation, as set out in term 38 of the terms of union. However, in order to remove any possible doubt which may be in the minds of hon. members opposite, I suggest that at the dinner recess we check with the pension commission. The section could be allowed to stand in the meantime, so that we would have an opportunity to give that assurance to hon. members. I think it will be found that the section as drafted is adequate.

Mr. Green: I am afraid the section as drawn was drawn to meet the narrower interpretation of term 38(b), which provides—

Mr. Garson: No.

Mr. Green: I do not say that that was done intentionally, but I think that the law officers who drew up section 20 merely read term 38(b). Taking the more narrow interpretation, they have drawn up the section accordingly.

Mr. Garson: That can easily be resolved because we will double-check the matter.

Mr. Brooks: I do not think there is much that can be added to what the hon. member for Vancouver South has said. The marginal note opposite page 8 reads:

Section 11 of the Pension Act provides pensions generally in respect of military service.

The cases which the hon. member has mentioned are not general cases; they are particular cases. We who have served on the veterans committee for many sessions recall that we had to bring up these particular cases under section 20 and section 34. As the hon. member for Vancouver South says, many other sections are involved. This indicates to me, as it must indicate to all hon. members of this committee, the necessity of having a veterans committee. If this matter had been brought before the veterans committee these complaints would have been cleared up. I am not satisfied with the statement of the Minister of Justice that this section covers all the cases that have been mentioned.

Mr. Garson: I said that it covered the agreement reached by the delegates and they were supposed to cover the whole field.

Mr. Green: It may be that the Newfoundland delegates did not realize the different provisions of the Pension Act. No doubt section 11 of that act is covered, as is set out in the explanatory note read by the hon. member for Royal, but there are other disabilities not arising from service, such as pensions to a dependent parent or a brother and sister.

Mr. Mutch: The hon. member's suggestion is that they should be specifically mentioned.

Mr. Green: My suggestion is that a general clause should be written into the Pension Act saying that the Newfoundland veterans will get the same deal as the Canadian veterans. That is what we are all aiming at and it certainly is not achieved by section 20.

Mr. Gregg: I assure my hon. friend that the Newfoundland delegation studied every phase of the Pension Act.

Mr. Bentley: If that is the case, will the minister or any of those who attended the meetings say that the Newfoundland delegation did not question any of these items? Is this the result of tough bargaining on the part of the Canadian delegation?

Mr. Mutch: It can hardly be suggested that there is tough bargaining in connection with an agreement the preamble of which says that it is giving everything we have. If that is tough bargaining we certainly were not on the tough end.

Mr. Bentley: I did not suggest that; I simply asked a question. I am pointing out, as I pointed out before, that in the way this bill is written certain sections of the Pension Act are excluded, as was pointed out by the hon. member for Vancouver South.

Mr. Mutch: And denied.

Mr. Bentley: The parliamentary assistant was not present when I pointed them out. What he and the minister have said is most helpful and we appreciate it. However, the fact remains that their words on *Hansard* do not have the force of law. If this got before the courts their words would not have any effect. In the way the bill is written there are certain sections of the Pension Act which would be automatically excluded by the inclusion of this section.

Mr. Mutch: I am glad the hon. member has given me an outline of what I missed when I answered the telephone. The fact remains that the difference between us is not one of intent, it is one of belief. We have consulted the law officers of the crown and we have accepted their advice, but you do not believe them. If what hon. gentlemen across the way are saying is proved to be correct and we have not achieved what we set out to achieve, then I am sure the necessary provisions will be inserted. But at the moment we believe we have done what you wish us to do.

Section stands.

On section 21—*Royal Canadian Mounted Police Act.*

Mr. Pearkes: Will paragraph (ii), which refers to time served on active service in the naval, military or air forces of His Majesty raised in Canada or Newfoundland, apply to

the man who left Newfoundland to join the Royal Navy?

Mr. Garson: The effect of this whole section is that any Royal Canadian Mounted Police recruit in Newfoundland may apply service in the military forces or the civil service of Newfoundland toward his pension.

Mr. Pearkes: It is not clear.

Mr. Garson: The section reads:

"service" means time served in the force and includes for the purpose of making contributions under this part and of computing pensions, allowances or gratuities

(i) time served in the civil service or the permanent naval, military or air forces of Canada or Newfoundland;

(ii) time served on active service in the naval, military or air forces of His Majesty raised in Canada or Newfoundland during time of war; and"

He can get credit for time served in the civil service of either Canada or Newfoundland or in the permanent naval, military or air forces of Canada or Newfoundland, and in addition he can get credit for time served in the naval, military or air forces of His Majesty raised in Canada or Newfoundland. The purpose of this section is to bring the Royal Canadian Mounted Police recruit in Newfoundland on the same level as the Royal Canadian Mounted Police recruit in Canada in respect of pension.

Mr. Pearkes: Perhaps I had better put my question in another way. Would the Newfoundlander who joined the Royal Navy at the outbreak of war or during the war be entitled to these benefits?

Mr. Garson: I see the hon. member's point and I will check it up.

Mr. Drew: This wording is of particular importance to Newfoundland because of the large number of Newfoundlanders who enlisted in the Royal Navy. This section would impose real limitations if they were not included.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

The Deputy Chairman: Before the committee rose we were considering section 20.

On section 20—*Pension Act.*

Mr. Bentley: I believe the minister was going to give us an explanation of this section.

Mr. Gregg: The Minister of Justice is unavoidably delayed for a few minutes, so I would ask that this section stand for the time being.

Section stands.

[Mr. Pearkes.]

On section 21—*Royal Canadian Mounted Police Act.*

Mr. Pearkes: I had asked some questions of the Minister of Justice before the committee rose for the dinner recess, and I would request that this section stand also.

Section stands.

Sections 22 to 31 inclusive agreed to.

On section 32—*Bank of Canada Act.*

Mr. Knowles: What is the reason for the increase to twelve directors of the Bank of Canada? In other words, what is the set-up of that directorate?

Mr. Sinclair: Could this section stand until the minister is in the house?

Section stands.

Section 33 stands.

Sections 34 and 35 agreed to.

On section 36—*The Transport Act, 1938.*

Mr. Pearkes: Would the minister explain this?

Mr. Martin: Let it stand.

Section stands.

On section 37—*The Penitentiary Act, 1939.*

Mr. Brooks: Is it the intention of the government to use the penitentiary at Dorchester, New Brunswick, as a penitentiary for Newfoundland, just as it is used for the other three maritime provinces?

Mr. Mutch: The Minister of Justice will be here in a few moments. This might be allowed to stand.

Section stands.

Section 38 agreed to.

On section 39—*The Veterans Land Act, 1942.*

Mr. Pearkes: Could the minister say whether the same restrictions that apply in Canada with respect to the size of the area required before a veteran can get a loan under the Veterans Land Act will apply in Newfoundland? Will it be necessary for the veteran in Newfoundland to have an area of at least three acres before he can obtain a loan? Would the minister explain, also, whether it will be necessary for the veteran to own property before he can get a loan on any fishing equipment he may desire to obtain?

Mr. Gregg: The answer to the first question is that the provision with respect to the size of the small holding will be the same as in Canada.

Mr. Pearkes: That is three acres?

Mr. Gregg: Yes. In Newfoundland certain benefits have been granted by the government in connection with commercial fishing, but where those have been less than our act provides the veteran will have an opportunity to make application to move it up to the terms of our act.

Mr. Pearkes: Are there any cases where the arrangements in Newfoundland have been more beneficial to the veteran than those in Canada? If so, will the Canadian veteran get the advantage of the Newfoundland arrangements?

Mr. Gregg: We have not had an opportunity to investigate the matter in detail, but my impression is that the provisions under their commercial fishing plan were not in excess of our own.

Section agreed to.

On section 40—*The National Physical Fitness Act.*

Mr. Church: This does not apply to the provinces of Ontario and Quebec, which have rejected it. I think this is simply a political organization, and many parts of Ontario and Quebec are strongly opposed to it. In addition I notice that recently some of these people toured the whole dominion and then had a meeting here in Ottawa, at which they accomplished nothing at all. I think this whole thing is very unfortunate.

Section agreed to.

On section 41—*The Family Allowances Act, 1944.*

Mr. Wright: What will be the position of families who have moved into Newfoundland during the past three years? Will they receive the family allowances immediately or will they be required to have three years' residence in Newfoundland after confederation takes place?

Mr. Martin: It will be the same situation that applies in Canada today.

Mr. Wright: If a family has moved into Newfoundland within the last two years, after confederation is completed will it mean that this family will have to be there three years from the date of confederation?

Mr. Martin: Moving there from where—Canada?

Mr. Wright: No, from Europe.

Mr. Martin: The act will apply just as it does to Canadians at the present time. The three-year residence requirement is still part of the law of the land. Unless they have been there for three years they cannot qualify.

Mr. Knowles: That might be changed soon.

Mr. Martin: Government policy will be disclosed in due course.

Mr. McKay: Could the minister give us any estimate of the number of children who will qualify for family allowances and, if so, what it will probably cost the federal treasury?

Mr. Martin: I am afraid I cannot say offhand how many children will qualify, but I can say that the estimate—and it can be no more than an estimate—of family allowance payments to Newfoundland, which will be paid forthwith at the first opportunity after confederation becomes a fact, is $8,400,000. Those are the estimated payments.

Mr. McKay: Is that for a full year or for one month?

Mr. Martin: That is for the rest of the year. The end of the fiscal year is March 31, and I assume confederation will be effective as of that date.

Section agreed to.

Section 42 agreed to.

On section 43—*The National Housing Act, 1944.*

Mr. Timmins: I would like the minister to explain this section.

Mr. Howe: As acting minister of reconstruction I can say that the only purpose of this section is to change the terms of the National Housing Act to define a Newfoundland veteran. He is now defined as a resident of Newfoundland at the time of enlistment, who served in the armed forces raised in Newfoundland or in the United Kingdom.

Mr. Timmins: Does the minister know whether any housing plan is being carried on in Newfoundland at the present time? Is there any plan that will be co-ordinated with our National Housing Act? What is being done for the veteran there now in the way of housing?

Mr. Howe: There is a very ambitious housing project at St. John's partially completed. I have had the pleasure of inspecting it within the last two weeks, and the houses are well built. They are not rental housing, however; they are built for sale. A few of the houses are rented, but the purpose of the development is to build houses for sale. I know Mr. Mansur of Central Mortgage and Housing has discussed the future of that project with its sponsors in Newfoundland, but I do not know what has been the outcome of the discussion. I believe arrange-

ments are being made so the National Housing Act may assist in the completion of that project.

Mr. Johnston: I should like to ask the minister a question about the National Housing Act. I believe he is well aware that there is no clause in the National Housing Act that protects the veteran in the other provinces of Canada against financial loss or inferior workmanship in his house. The minister probably knows that I am referring particularly to the case of the veterans out west. I do not want the same thing to happen in Newfoundland.

It has been brought to my attention today by telegram that foreclosure proceedings are being taken against the veterans in Calgary. Possession of their houses is being taken away. It seems to me that, in view of the experience not only in Alberta, but in Nova Scotia, Vancouver and Winnipeg, where veterans have put into these projects every last cent they have, only to be faced with foreclosure proceedings, we should not permit the same thing to happen in Newfoundland.

Last year when we were talking about this question, as the minister will recall, I asked him whether the National Housing Act afforded sufficient protection to forestall the very thing that is taking place. If my memory serves me correctly, he informed me that the act sufficiently protected the interest of these veterans. I now ask him most sincerely whether the veterans will be properly protected, and their houses properly built according to the plans and specifications.

Mr. Howe: My hon. friend talks in broad generalities. Will he give me five instances where veterans have been dispossessed of their houses through foreclosure of the mortgage under the National Housing Act?

Mr. Johnston: Yes, I will. Just before I left Calgary, foreclosure proceedings were taken against a man named Hamilton. By airmail letter today, I was informed that the Manufacturers Life was taking similar proceedings against a number of other veterans under the National Housing Act. The understanding is that proceedings will be taken against them one by one until they are all closed out. The minister knows that; he was in Calgary.

Mr. Howe: My hon. friend is talking about an integrated project that got into trouble. Veterans who were not wards of the government, but who themselves made contracts with the builder, got into difficulties through the bankruptcy of the contractor. The Central Mortgage and Housing Corporation is lending its good offices to straightening out the trouble. The Central Mortgage company was not a principal in the matter in any way, shape or form and, therefore, any action taken is certainly not taken by the Central Mortgage and Housing Corporation. I do not know what relation this has to the bill now before us.

Mr. Johnston: It comes under the National Housing Act, does it not?

The Deputy Chairman: I should point out that a general discussion on the housing act relating to Canada as a whole should not take place under this clause. This pertains to an agreement with Newfoundland.

Mr. Johnston: I am speaking of the National Housing Act as it applies to Canada and, particularly, as it will apply to Newfoundland. The minister went on to point out—

The Deputy Chairman: Order. The hon. member will please confine his remarks to the clause now before the committee, which deals with the Newfoundland veterans.

Mr. Johnston: This deals with the National Housing Act of 1944, and I am speaking about the National Housing Act. It is true that an integrated housing plan comes under the National Housing Act. There are three parts to the act, and the integrated housing plan comes under the first part. The minister has just pointed out that Central Mortgage and Housing Corporation did not have any contractual obligations with the builders. May I point out to him—

The Deputy Chairman: I think my hon. friend will agree with me that the National Housing Act, 1944, is before the committee only in so far as it applies to Newfoundland. The hon. member should confine his remarks to that.

Mr. Johnston: I am speaking about it as it will apply to Newfoundland. By way of illustration, I have cited what has happened in the rest of Canada. I am asking the minister if he will be so good as to see that the veterans in Newfoundland are not treated in the same manner as the veterans in the rest of Canada. With all due respect, Mr. Chairman, I think that is in order.

The Deputy Chairman: I think it would be in order for the hon. member to ask that question, but not to enter into a general discussion of the housing act as it applies across Canada, and the various ramifications of it.

Mr. Johnston: I do not want to be at all stubborn about the matter, but that is not my point. If we are going to allow the National Housing Act to function in Newfoundland as it has functioned in the rest of Canada, I think it is wrong. I am asking that the act be so framed that the veterans in Newfoundland

will not be subjected to the unfair treatment our veterans received under the National Housing Act.

Mr. Church: This particular section of the bill applies to the National Housing Act, 1944. It describes who is entitled to the benefits of that act. Subsections 1 and 2 of section 43 read as follows:

(1) in any of the naval or military forces of Newfoundland or, having been recruited in Newfoundland, in any of the naval, military or air forces raised in Newfoundland by or on behalf of the United Kingdom, or

(2) in any other naval, military or air forces of His Majesty and at the time of his enlistment therein was domiciled in Newfoundland, shall be deemed to be a veteran for the purposes of section four B—

I am surprised that more has not been done for the veterans. Some improvement has been made recently, I believe, so far as this act is concerned. What we need in the province of Ontario is a better suburban service. In some large cities there is only a ten-minute interval between trains, and we would be getting some place if we had that in Ontario. Today we are getting nowhere.

Mr. Hazen: This would appear to be an amendment to the National Housing Act. I am not clear about it because it does not state it is an amendment. Is it intended to be an amendment to the act or is it supposed to be a statute by itself?

Mr. Howe: If you read the title of the bill you will find it is, "An act to amend the Statute Law." They are all amendments.

Mr. Hazen: Some of the sections state that certain sections of certain acts are amended and other sections are repealed. This does not state that. Section 42 of this bill states that:

Subsection one of section three of the Fisheries Prices Support Act, 1944, chapter forty-two of the statutes of 1944-45, is repealed and the following substituted therefor:

In the wording of section 43 of this bill there is no statement that the National Housing Act is amended "by inserting the following." If you will turn back to the other sections you will find that wording is used, or some similar wording. Is there some particular reason for doing it in this way?

Mr. Howe: This is a new section to the act, as I understand it. It is amended by adding this section. Nothing has been repealed here.

Mr. Hazen: You are amending it.

Mr. Howe: We are just adding another paragraph.

Mr. Hazen: You are amending it by adding another paragraph.

Mr. Howe: That is right.

Mr. Hazen: It does not state that. It does not state that this is a new paragraph added to the housing act. Perhaps there is some other explanation.

Mr. Howe: Perhaps my hon. friend is right and it should state that a new section is being added. If he will allow the section to stand, I will examine that aspect of it.

Mr. Smith (Calgary West): The same thing applies to other sections.

Mr. Pearkes: I have another question I should like to ask, and it is similar to the question I asked with reference to section 21. It refers to the man in Newfoundland who left there at the beginning of the war, went over to England and there enlisted in the Royal Navy. Is he or is he not entitled to this benefit? This paragraph reads:

. . . at the time of his enlistment therein was domiciled in Newfoundland.

Actually he had left Newfoundland in order to go over to England. He enlisted in the British army or the Royal Navy while in England. Actually he was not living in Newfoundland then; he was not resident in Newfoundland. This paragraph also contains the expression "recruited in Newfoundland." We should have uniformity in terms. In section 21 the language used is "raised in Newfoundland." We are using a great many different terms which vary slightly in meaning.

Mr. Howe: My recollection is that this description of a veteran in Newfoundland is exactly the same as that given a veteran in Canada. For the purposes of the National Housing Act, 1944, I think the definitions are on all fours. But since the section is to stand, I will call the matter to the attention of the Minister of Justice.

Mr. Drew: There is just one thing I should like to emphasize in that connection. When the section is under review, a distinction might be made between recruited in Newfoundland and having served with the navy, army or air force of the United Kingdom, and simply having served with those forces; because naval veterans were practically all reservists in the Royal Navy in the first world war, and perhaps would not be recruited in the ordinary sense of that word or in the strict meaning of the word.

Mr. Howe: I shall be glad to call the matter to the attention of the minister.

Mr. Smith (Calgary West): The word "domicile" is used in several sections in this amending act. I wondered if any search had been made to find out whether or not Newfoundland might have a statutory domicile. We have been proceeding on the basis that it is a broad word that we all understood

fairly well. But—as is the situation in some other jurisdictions—has examination been made to find out whether or not there is a statutory domicile there?

Mr. Howe: As I understand, after confederation "domicile" will mean domicile by Canadian law. My hon. friend is wondering if there may be a broader definition of domicile in Newfoundland?

Mr. Smith (Calgary West): Yes, or a narrower one.

Mr. Howe: I shall be glad to refer the matter to the Minister of Justice.

Mr. Smith (Calgary West): I think the matter might be looked into.

Section stands.

The Deputy Chairman: Will the committee be kind enough to turn to section 33, Canada Shipping Act, 1934. The minister is here now.

On section 33—*Canada Shipping Act, 1934.*

Mr. Green: Will the minister explain that section?

Mr. Chevrier: That section can be divided into three parts. First, the masters and mates holding certificates of that type in Newfoundland will be entitled to a Canadian certificate of the same kind. Then, as an alternative to that, certificates of competency now held by masters and mates in Newfoundland may be exchanged for our own, or a statement on the face of the certificate approved of by the officers of the Department of Transport will be indicative of competency in those classes. Finally, there will be some of course who will not have any certificate, particularly those who operate schooners of more than ten tons gross engaged in the coasting trade. They will be required to pass a sight test and the prescribed oral test that every other individual in Canada must pass at the moment. I am referring now to section 118B of section 33. That is almost in the same language as the present act. The ten tons gross mentioned in the section is the minimum size of a vessel in which experience has to be obtained to qualify. This was done at the request of the people of Newfoundland who wanted to be assured that those who operate coasting craft without masters' or mates' certificates should, if they so desired, be able to obtain certificates of service on passing the prescribed examination.

Mr. Hazen: May I ask if section 305 is a new one? That levies a duty of two cents a ton.

Mr. Chevrier: That is a national revenue matter. That part of the Canada Shipping Act comes under the Department of National Revenue. I am unable to answer that question.

Mr. Hazen: May the section stand until we get an answer?

Mr. Young: Must sailors now sailing under Newfoundland regulations carry a discharge book?

Mr. Chevrier: At the present time they must.

Mr. Young: They must?

Mr. Chevrier: Yes; so I am informed.

The Deputy Chairman: Shall the section carry?

Mr. Hazen: I would ask that the portion of section 33 at the foot of the page, section 305, stand until we get an explanation.

Mr. Chevrier: All that is being done there is the addition of the word "Newfoundland."

Mr. Hazen: It is not a new duty?

Mr. Chevrier: No.

Mr. Green: In the future will the qualifications be the same as in the past for the men on Newfoundland vessels, or will there now be a stricter examination?

Mr. Chevrier: Those who do not have certificates as masters or mates will be required to pass prescribed examinations under the regulations as they exist in the department.

Mr. Green: Will that make much of a difference in Newfoundland?

Mr. Chevrier: No. I am told that it will not.

Section agreed to.

Mr. Sinclair: I would ask the committee to revert to section 32, in order to permit me to answer the question asked by the hon. member for Winnipeg North Centre.

On section 32—*Bank of Canada Act.*

Mr. Sinclair: The change from eleven to twelve was merely to accommodate one Newfoundland director. At the present time there are two from Ontario, two from Quebec and one from each of the other provinces of Canada. This amendment raises the number to twelve for the inclusion of a Newfoundland director.

Section agreed to.

The Deputy Chairman: Section 36 was allowed to stand. I would ask the committee to turn to that section.

On section 36—*The Transport Act, 1938.*

Mr. Chevrier: Perhaps I should just say a word with regard to this section. Strictly speaking, it would not have been necessary to include this section in the act at all, because part II of the Transport Act says that its operation will not come into effect until it is proclaimed by the governor in council; and really until it is proclaimed it does not affect anyone. However, in order to reassure the people of Newfoundland, it was thought that it would be better to include this particular section which takes out of the operation of part II of the Transport Act transportation by water.

Mr. Brooks: That is the point. I was wondering why it was included.

Mr. Garson: It should not be included at all, but the delegates at the conference felt that for greater certainty they would prefer to have it there and we put it there.

Section agreed to.

Mr. Drew: While the section has passed, there is a point which I should like to place before the minister in connection with section 33. At the bottom of page 13 of the draft bill it will be found that No. 305 is given to a section which relates to levies on ships entering certain ports, and the words "or Newfoundland" are added. Unless this is a new section there is something missing in the section before us. Unless this is a new section a provision should be added that some other section is stricken out.

Mr. Chevrier: Perhaps the hon. gentleman was busy on something else a moment ago when I said that the duty and the levy part of the shipping act is a matter for national revenue and not for transport; therefore I am not familiar with the details. At first glance my reply to the hon. member for Royal was that the only change was the addition of the words "or Newfoundland". I am not in a position to give any further details on it because it does not come under my jurisdiction.

Mr. Drew: The importance of the point I am making is that, unless this is a new section, there is obviously something lacking from the whole of section 33. If 305 is not a new section of the act, then obviously there should be a provision that some section of the earlier act be stricken out and this be substituted. On the other hand, if it is a new section it is not in conformity with what the minister has explained. It is one or the other. I think it should stand.

Mr. Knowles: I do not think it is necessary to have the section stand. There has been a mistake in the printing. If the minister and others will follow me they will find that the paragraph ahead of 305 is a short paragraph which begins with the figure 2 in parentheses. That is the paragraph which explains what is to be done with 305. In other words, the line down the left-hand side of the page should be cut off just above the paragraph numbered 2 in parentheses.

Mr. Chevrier: Does that answer my hon. friend?

Mr. Drew: I think that is the explanation. I think the placing of the line was misleading.

Mr. Chevrier: If there is any change it will be approved of.

Mr. Drew: If there is any change it should be reopened.

Mr. Knowles: I saw that not because I am a lawyer but because I am a printer.

Section agreed to.

The Deputy Chairman: Will the committee turn to section 21.

On section 21—*Royal Canadian Mounted Police Act.*

Mr. Pearkes: Is the minister going to give us an explanation of this section?

Mr. Garson: The point was raised by members of the opposition that the definition of service for Royal Canadian Mounted Police recruits as set out in section 21 would not include a man who had served in the forces which were not raised in Newfoundland. These are the facts. Under the Royal Canadian Mounted Police Act, which was passed by this house in May 1948, there is a part V which relates to all of the new members of the Royal Canadian Mounted Police taken on staff. This part V has not yet been proclaimed but it will be in due course. In part V, section 91, subsection 1, paragraph (j), subparagraph (ii) will be found these words:

> Time served on active service in the naval, military or air forces of His Majesty raised in Canada during time of war.

What is being done for the Newfoundland recruits of the Royal Canadian Mounted Police is to apply to them the identical language which is applicable to the Canadian recruits. My hon. friend may still argue perhaps that, because time is not recognized in the case of those who enlisted elsewhere and served in the forces and then later became recruits in the mounted police in Canada, that is a very poor reason for not recognizing it in the case of Newfoundland. I have checked with the officials of the mounted police. They tell me they are satisfied that this wording will cover the cases which they expect to encounter; but they say that they have no desire to exclude anyone who has served, and if both of these sections—that is

the one which is already in the act relating to Canadian recruits, passed in May, 1948, and this one which is now before us—can be permitted to stand as they are for a year, we can see whether they will exclude anyone.

My information is that in both world war I and world war II the British had recruiting depots for both naval and military personnel, and the great likelihood is that the bulk of those who served in the British forces would be coming into the forces through these depots. In any event, we have carried out exactly the arrangement which was made, which was to extend to the Newfoundland recruits the same status which the Canadians have.

Mr. Pearkes: A Newfoundlander who left Newfoundland and served in the Royal Navy and came back would receive the benefits of this section?

Mr. Garson: No. To come under either the Canadian section or the Newfoundland section, he would have to serve in naval, military or air forces of His Majesty raised in Canada or raised in Newfoundland. My information is that the great bulk of all Canadians and all Newfoundlanders who served in His Majesty's forces were raised in their respective countries.

Mr. Pearkes: This is a very important point, Mr. Chairman, because there were a great many men who left Newfoundland and who served in the Royal Navy during both the first and the second world wars. There were also a large number of men who left Newfoundland and served in British units of the army in both world war I and world war II. I think the history of the service of Newfoundlanders bears me out in that. I do not want to see these men who were Newfoundland born and bred, who went overseas and served with the Royal Navy or with the British army and then returned to their homes in Newfoundland, excluded from the benefits of this section. What the minister has just said indicates that they would be excluded unless they served in forces raised in Newfoundland or in Canada. I imagine that must mean the Royal Canadian Navy or the Canadian Army, or that they had joined through some depot in Newfoundland which transferred them from Newfoundland to units of the British navy or the British army. I submit that there were a great many who left Newfoundland under their own arrangements. They proceeded to the United Kingdom and there joined up immediately after they reached the United Kingdom. I want to make quite certain that that type of man will receive the benefits herein outlined. I gather the minister said that they would not.

[Mr. Garson.]

Mr. Garson: I do not think that my hon. friend's statement regarding those service personnel who were raised in Newfoundland or in Canada was exhaustive. I do not think they would necessarily be in depots, as he has suggested. It is to be noted that this wording is not to be applied in relation to the granting of any pensions for their service. It is to be applied to new recruits, new volunteers in the Royal Canadian Mounted Police either in Newfoundland or in Canada who say, upon enlistment in that service, "I have some service in the navy"—or the air force or the army, as the case may be—"and these are the circumstances of my service. I want to get credit for this service towards my mounted police pension".

The officials of the Royal Canadian Mounted Police tell me they anticipate no difficulty at all in taking care of the problem in connection with the recruits who come to them. If any difficulty does develop, I do not believe there would be any disposition on the part of the government for one moment to stand on the retention of those words. My only suggestion is that we might let them stand the same for Newfoundland as they are for Canada for the period of a year; then if we found any difficulty presenting itself we could change the wording—and I am sure my hon. friend would agree it should be changed equally for both of them.

Mr. Pearkes: Is this not the time to do it?

Mr. Garson: We have no amendment of the Royal Canadian Mounted Police Act before us at the present time. To be frank, I do not mind stating that I got in touch with the draftsman during the dinner recess, and asked him if he would have any objection to striking out the words "raised in Canada" or "raised in Newfoundland" as the case might be. He said, as all draftsmen do, "Well, I should like to look at all the sections of the act to make sure that we would not be getting into any trouble by doing so."

As to the merits or substance of the case, however, I must say that the Royal Canadian Mounted Police have no desire—why should they?—to raise these matters, because they are looking for good men to serve with them, and they are prepared to recognize service in His Majesty's forces.

Mr. Smith (Calgary West): But they cannot do it unless the statute says so.

Mr. Garson: They expect no difficulty at all; and I think they are fairly close to the subject. As a matter of fact the official to whom I was speaking had served with Newfoundlanders in the navy, and he told me he was under the impression that the great bulk of them had been raised in Newfoundland.

He served with them, and he said he did not think there was any objection to this wording. However, if anything develops, we shall have no objection in the world to changing it. But I do not think anything will develop.

Mr. Pearkes: The minister says he has no objection. That being so the simplest way would be to amend this subsection by deleting the words "raised in Canada or Newfoundland" so that the subsection would read:

Time served on active service in the naval, military or air forces of His Majesty during time of war.

I so move.

Mr. Claxton: That cannot be moved.

Mr. Abbott: The amendment is out of order, because it affects the revenue. I suggest the amendment should not be offered in this way, and that we should not extend to veterans or those who have served in Newfoundland something which is not extended to those in Canada who served in His Majesty's forces.

The law as it stands now provides that in order to obtain these benefits under the section a man must have served in His Majesty's forces raised in Canada, and the proposed amendment suggests that it be extended by adding the words "in Newfoundland". I do not think it is competent for a private member to suggest any further extension, because quite obviously it would involve an added charge on the revenues of Canada. Surely that is perfectly clear.

Section agreed to.

The Deputy Chairman: We now turn to section 37 dealing with the Penitentiary Act.

On section 37—*The Penitentiary Act, 1939.*

Mr. Brooks: I asked the minister if the penitentiary at Dorchester, New Brunswick, would be used as a penitentiary for Newfoundland, as it is being used for the other three maritime provinces.

Mr. Garson: This section carries into effect paragraph XVI of the memorandum, which states:

For the time being it is understood that Newfoundland will continue to operate its own penitentiary and prisoners sentenced by the courts of Newfoundland to terms of imprisonment of two years or more may be incarcerated therein subject to the rules and regulations laid down for the management and control of the institution by the provincial authorities. Maintenance of such prisoners will be paid by the Canadian government on a per diem basis at a rate to be mutually agreed upon between the Canadian government and the provincial government.

Mr. Brooks: Will a separate penitentiary be maintained in Newfoundland, or will the one at Dorchester, New Brunswick, be used for that province?

Mr. Garson: The memorandum speaks for itself. It says that for the time being it is understood that Newfoundland will continue to operate its own penitentiary. Hon. members will understand that in bringing the administrative machinery of two countries together, as we are doing here, some things can be put into effect almost immediately, while it takes some time to merge others.

The law officers have gone through no less than five hundred federal statutes to see which of those required the type of consequential amendments set out in this bill. Of that five hundred there are perhaps about two hundred which we hope may be proclaimed into effect by March 31.

There are a number of others however which will have to wait for some time. For example, there is the matter of weights and measures, where we have to have inspectors for checking purposes before we can proclaim our weights and measures act as taking effect in Newfoundland. Under this heading of penitentiaries the position is, as I have said, this is the best information I can give because, as the hon. member will see, this memorandum is a statement of those points of agreement between the two countries not sufficiently of a constitutional nature to form part of the terms of union, but upon which it was necessary to have an agreement of a less formal character. The position is that, for the time being, until Canada and Newfoundland both see how they are going to proceed, Newfoundland will continue to operate its own penitentiary.

Mr. Smith (Calgary West): I should like to make a suggestion which I think may be of some assistance in drafting. About the middle of section 37 we find these words:

—or for a term of years, not less than two, shall be sentenced to imprisonment in the place operated by the province of Newfoundland at St. John's for the confinement of prisoners.

My first suggestion is that it should contain the words "at the city of St. John's", because I am sure there must be parishes named St. John's in Newfoundland, as there are in other parts of Canada. You must do better than that. You must imagine the position of a judge about to sentence a prisoner. The only thing he can do under this section is to sentence a man to so many years in the place operated by the province of Newfoundland at St. John's. That is a rather unfortunate way to handle it. I have never been there but I imagine there are a number of places of confinement at St. John's. I am quite sure that at the city police station—I think St. John's is a city—they would have places of confinement, although temporary it is true. I assume that what is meant here is some sort of jail which is maintained at St. John's, Newfoundland.

The two points I am raising are going to be helpful to the minister so he will know exactly what is being done when people are sent to a jail in Newfoundland. Perhaps I could raise the second point and the minister can take cognizance of both points, or either. I read again:

—at St. John's for the confinement of prisoners, and shall be subject to the statutes, rules, regulations and other laws pertaining to the management and control of that place of confinement.

Surely that is surplusage. I do not see why it is needed at all because, if it is a penitentiary under the Penitentiary Act, then obviously it is subject to all the rules presently in force in the Dominion of Canada and applying to penitentiaries. For instance, we do not have a set of rules or a statute dealing with Dorchester apart from Stony Mountain or Kingston or St. Vincent de Paul. I ask the minister to reconsider the drafting of this section. I would suggest that he eliminate the latter part which I think is surplusage and simply identify the place of confinement so that the judge might say, "I sentence you to serve so many years in the prison on State street," or wherever it may be in the city of St. John's.

Mr. Garson: I want to thank the hon. member for Calgary West for giving us another example of his friendliness in the suggestions he has made in connection with this bill. They have been most helpful. The gentleman who drafted this bill is an extremely skilful draftsman and I am inclined to think that he cast it in its present form—

Mr. Matthews (Kootenay East): Mr. Chairman, on a point of order, may I ask the minister to speak a little more loudly. We cannot hear him and we are interested in what he has to say.

The Chairman: I think if there was less talking in the chamber we would be able to hear the minister.

Mr. Garson: I was thanking the hon. member for Calgary West for the useful suggestions he has made in connection with this bill, and I was going on to say that the gentleman who drafted this bill is a most skilful draftsman and I am rather inclined to think that he cast this particular section in the form in which you find it because of the necessity of meshing in with some of the Newfoundland provisions. It will be noted that the section starts out with the words:

Notwithstanding anything in the Penitentiary Act, 1939,—

It would appear that it was intended to eliminate this, for the time being at any rate, from the operations of that act. The member for Calgary West (Mr. Smith) has made very worth-while suggestions, and perhaps while another section is being taken up on which some of my colleagues can speak I can get in touch with the draftsman and lay these proposals before him to see how he views the suggestions of my hon. friend. Out of fairness to him I would not like to disturb his handiwork without giving him an opportunity to express his opinion.

[Mr. Smith (Calgary West).]

Mr. Smith (Calgary West): I am merely trying to find clarity in the bill because we all know that in the administration of justice you must dot your "i's" and cross your "t's" rather carefully. When a criminal is to be sentenced we do not want a writ of *habeas corpus* or *certiorari* to let him out on purely technical grounds. I mentioned this when we were dealing with this matter. There is no mention in this amending statute of the Criminal Code. There is reference to the Fugitive Offenders Act; there is reference to the Penitentiary Act; there is reference to the Judges Act; but there is no mention of the Criminal Code.

Following the question that I then asked him, I wonder if he has made any inquiry about this one thing. Under our Criminal Code there are provisions with respect to speedy trial which may be held on election before a county court judge, as they are called here, or a district court judge, as in the western provinces. I find no provision under the judges section for the appointment of officers with the jurisdiction I am discussing. I do not want an attempt made to administer criminal law in the province of Newfoundland without there being the proper machinery for its administration.

No doubt men will elect to have speedy trials and if there is no means or method of granting them speedy trials we will be up against a stone wall. I realize that no doubt the superior court judges will have all the powers of a district court judge, but they in turn may be confined to various matters in the province. I want the minister to be sure that we are not trying to do something without having the necessary machinery with which to do it.

Mr. Garson: My hon. friend raised this point or a similar point on Wednesday at about six o'clock. I had the floor and was in the midst of giving an explanation when at six o'clock I had to stop. This is a very important point and I think it would be wise for me to review briefly the remarks that I made on that occasion, and then complete them as I was then unable to do. My hon. friend said this:

When the minister introduced the resolution I asked him whether we were going to have references made, and whether a study had been made of all the statutes.

That was the first part of a very pertinent observation by my hon. friend in the early part of the discussions. He wanted to know whether there was going to be just some general clause authorizing appropriate amendments to be made, or whether there would be separate sections in this present omnibus bill specifically amending each section in each act which required amendment. I told him then, and this is a most important point, that we were following the proper method of bringing down specific amendments to the sections of the various statutes in order to achieve that clarity which he very properly said should be a desideratum. Then he said:

His answer was that that had been done. I wonder if the minister is sure about that. I accepted his word completely, of course.

But he still had doubts.

For example, I am thinking of the jurisdiction given to the different courts.

In reply I said:

If the hon. member will turn to page 9 of the terms of union he will see this:

and I referred him to the item near the bottom of the page, "Continuation of laws", pointing out that it was a term of the union that all the laws in force in Newfoundland should continue therein as if the union had not been made, subject nevertheless to being repealed, abolished or altered by the parliament of Canada or by the legislature of the province of Newfoundland, according to the authority of the parliament or the legislature as the case may be. That is to say, all the Newfoundland laws would continue; but we must remember that before Newfoundland comes into confederation the laws of Newfoundland cover all subjects, including many which now will come within federal jurisdiction; these would be continued, unless we now repeal or amend or change those laws of Newfoundland which come within federal jurisdiction. Amongst those would be the criminal law, as to which my hon. friend is deeply concerned. In the terms of union, turning over to page 10, there is a provision that by an act of the parliament of Canada or by proclamation the laws of Canada can be brought into force on a date or dates to be fixed by this act or proclamation. That is what we propose to do with the Criminal Code and all these other federal statutes. As I have said, no less than five hundred federal statutes had to be examined, and there will be upward of two hundred or more in respect of which we will issue a proclamation. Until that proclamation is issued those laws will not be in effect in Newfoundland at all.

The purpose of the present bill is to go through these various federal statutes which we propose to bring into force by proclamation, tidy them up, and put them in shape to be applied to Newfoundland by inserting in the proper sections the appropriate references to Newfoundland, so that before we proclaim them they will be in proper shape to be made applicable to that province, and to all parts of a federal state which include Newfoundland.

This omnibus bill will cover all the statutes that require consequential amendment with three notable exceptions, one of which I had mentioned just before six o'clock the other evening and two of which I shall mention now. The one I mentioned was the Income Tax Act. We thought it was much preferable that a statute which imposes taxes upon the people should have the amendments made to the act itself rather than as sections of some omnibus bill, to the end that people who may be concerned about how much they have to pay in taxes will always have the assurance that if they go to the Income Tax Act and its amendments all the law relating to that subject will be there. Another is the amendments to the Criminal Code which are now in course of preparation and which will be laid before the house shortly, which bill will include some consequential sections relating to Newfoundland. The third one is the Bankruptcy Act, and the amendments there will be introduced in a complete revision of that act which will be brought in this session, probably in the Senate in the first instance.

As far as the court set-up is concerned, I shall deal with it in general terms. The Supreme Court of Newfoundland is the high court there, and is much the same as the Supreme Court of Prince Edward Island. It is divided into trial and appellate divisions, but there is just the one supreme court. There are no county courts in St. John's; the difficulty in adapting the federal statutes which we now propose to make applicable to Newfoundland, in so far as they call for the exercise of discretion by a county court judge, has been successfully overcome, we think, by conferring county court jurisdiction under such statutes upon the judges of the supreme court in Newfoundland. Various sections scattered through this omnibus bill containing the words, "the judge shall be a judge of the Supreme Court of Newfoundland" are there for that purpose. If you took the trouble to compare such a section with its counterpart applicable to the province of Ontario, you would find in some cases that in Ontario it would be the county court, in Saskatchewan the district court, to which the sections applicable to Ontario and Saskatchewan would refer.

Then in Newfoundland they have a number of stipendiary magistrates who exercise in that province the jurisdiction which in

other provinces is exercised by police magistrates, magistrates and justices of the peace.

The other night my hon. friend made a reference to a set of figures at the back of this omnibus bill, $333.33, which certainly on their face looked mysterious, as payment to three district judges of the admiralty district of Newfoundland; and he wanted to know whether these men would exercise any criminal jurisdiction. As my hon. friend knows, the admiralty court is a branch of our own federal exchequer court, and our original proposal in relation to the admiralty court of Newfoundland was that one of the judges of the supreme court there would exercise admiralty jurisdiction as an appointee of the admiralty division of our exchequer court for a salary of $1,000 a year as a supplementary to his salary as a supreme court judge.

But the chief justice of the supreme court in Newfoundland said that all three judges of that court were well versed in admiralty, were trained in hearing cases in admiralty, and they would prefer that the admiralty work of that division of the exchequer court should be divided among three rather than centered in one. Inasmuch as it was proposed to give the one judge $1,000, we are dividing this sum into three so each judge will be paid $333.33 per year.

My hon. friend raised one other point in connection with the Official Secrets Act, the Juvenile Delinquents Act and other acts of that character.

Mr. Smith (Calgary West): Secret commissions.

Mr. Garson: Quite so; all those acts which a lawyer would recognize as being usually embraced along with the Criminal Code in one book, whether annotated or not. I checked up on that in view of my hon. friend's observation the other night. I had discussed this in a general way before but not with specific reference to these particular pieces of legislation. I made a double check on these pieces of legislation and I was assured by Mr. Driedger, the excellent draftsman to whom I referred, that all of these statutes are amongst the five hundred statutes he examined to ascertain whether consequential amendments were required and he assured me they do not require any consequential amendments. Later on, either by statute or by proclamation, those statutes will be brought into effect in Newfoundland.

In the meantime, care is being taken to avoid errors. This gentleman examines the statutes, forms his own opinion as to those which are to be made applicable, and then he submits the results of his research to the legal authorities of Newfoundland in order that they may check those results and form any counter opinion. In that way we are attempting to make sure we bring the proper statutes into effect. We want to make sure we repeal all the Newfoundland counterparts of federal statutes in order that, on the one hand, there will be no overlapping, nor on the other any part of the field not properly covered.

I think that is all that requires comment, except perhaps to make a reference to the fact that there are a certain number of statutes not mentioned, such as the Weights and Measures Act. This penitentiary provision appears to be a temporary one and, for that reason, it contains the clause notwithstanding the provisions of the Penitentiary Act, Newfoundland shall continue to run its own place of confinement. It may be described in those terms in some statute, so we are merely carrying into effect the clause in this memorandum which says that for the time being Newfoundland will continue to operate the existing penitentiary. In order to carry this provision into effect, we have this section to which my hon. friend has taken exception. I will check up on it anyway.

Mr. Smith (Calgary West): We must keep in mind that the minute union occurs Newfoundland has lost a great deal of its jurisdiction in many matters, one of which is the criminal law. It goes in the twinkling of an eye; it does not last a second after union has taken place. What I have in mind is that either the gentleman the minister mentioned or someone else should be able to assure us that at that second there is no hiatus between the incidence of the criminal law and the administration of it.

The minister mentioned that during this session there would be some amendments to the Criminal Code, some of which might have specific reference to Newfoundland. My hope is that we in this parliament will have our statutes referring to Newfoundland in such shape that, the minute union takes place, we will have the gown of our criminal law ready to drop into place.

Mr. Matthews (Kootenay East): The hon. member for Calgary West has been dealing with this section from the legal point of view, but there is in my mind another question upon which I should like some information. Is this particular prison in St. John's, Newfoundland, a federal penitentiary or a provincial jail?

Mr. Garson: I was not a member of the group carrying on these negotiations, but I would refer the hon. member to the memorandum—I am sure he has a copy of it—

entitled "Statements on Questions Raised by the Newfoundland Delegation". If the hon. member will turn to page 10, at the top of the page, item xvi, penitentiaries, he will see:

> For the time being it is understood that Newfoundland will continue to operate its own penitentiary—

From that statement I gather that the delegates on both sides were agreed there was a penitentiary and that was the penitentiary to which they were referring.

May I say that the application of Canadian federal law to Newfoundland will be by this proclamation to which I referred. I have not directed my mind specifically to this particular problem, but I feel quite safe in saying that the laws of Newfoundland will remain as they are until this proclamation we issue makes our federal statutes applicable. The very formidable task which our law officers, in collaboration with the law officers of Newfoundland, have in examining all the relevant statutes which might have some application to Newfoundland to make sure we proclaim no federal laws that are inappropriate or not within federal jurisdiction and, secondly, that we do not overlap any provincial laws but make certain that the provincial counterparts are repealed, will take some time to accomplish. We must also take pains to see that there is no part of the field which is not covered. We must also avoid this hiatus mentioned by the hon. member for Calgary West. I am not very much concerned about the hiatus because, as I conceive it, the law of Newfoundland will remain the law of Newfoundland until we proclaim our law. If our proclamation is properly drawn, no difficulty will be experienced.

The hon. member for Calgary West says he wants us to take great care. I do not think we can take any greater care than we have already taken. We have put the very best man we have on this task. He has devoted a long time to this study and has been in the closest collaboration with the law officers of Newfoundland. We have not achieved perfection, because it is not human to be perfect; but, subject to human frailties, we have done about as good a job as it is possible for human beings to do.

The Chairman: Shall the section carry?

Mr. Hazen: Just a minute. I thought the minister intended to make some inquiry of the gentleman who drafted the section.

Mr. Garson: I will make inquiries.

Mr. Hazen: I think the section should stand, having regard to the point raised.

Mr. Garson: Yes. We had better let it stand.

Section stands.

On section 20—*Pension Act.*

The Chairman: Shall this clause carry?

Mr. Green: No.

Mr. Garson: I think a word of explanation is due on this section. On checking with the same draftsman, Mr. Driedger, and with the chairman of the Canadian pension commission, Mr. Melville, we find that the statement I made to the house before the dinner recess is quite correct, and that it bears out the statement made by my colleague, the Minister of Veterans Affairs. If my hon. friends will look at Bill No. 12, page 8, paragraph (3) they will find it reads as follows:

> A British subject resident and domiciled in Newfoundland at the time of enlistment who served in the naval, military or air forces of His Majesty or in any of the naval, military or air forces of any of the countries allied with His Majesty during world war II shall be deemed to be a member of the forces for the purposes of section eleven of the Pension Act, if the disability in respect of which the application for pension is made is not pensionable by virtue of subsection one or two of this section.

There is a similar reference in subsection 2 of section 11 of the Pension Act. I am informed both by the draftsman and by the chairman of the pension commission that the entitlement under section 11 of the Pension Act carries with it not only the general rights of pension but all of the specific or ancillary pension rights to which my hon. friends, notably the hon. member for Vancouver South, referred before the dinner recess. So that when my colleague said that the intention of this government had been to extend to the Newfoundland veterans the full privileges to which the Canadian veteran is entitled, that statement is exactly correct. It is also true that that provision was made in the terms of union. As hon. members will recall, I told the house that the law officers of the crown, in drafting this Bill No. 12, had regarded—and quite properly, in my opinion—as their instructions the terms of union, and had produced the first draft of it, which was submitted to the pension commission. The pension commission thought there should be some change in wording, which was accordingly made. What we have before us here is the product of the consultation of those two authorities, and both of them assure us that it gives complete coverage in accordance with the intentions of my colleague, in accordance with the terms of union, and in accordance, I am sure, with the desires of the members of the committee.

Mr. Green: I think there is one weakness in the position taken by the Minister of Justice, and it is this. He says the draftsman in the Department of Justice and the chairman of the pension commission both say that this amendment is all right, and therefore it

is all right. In fact, that is his argument. In my opinion, that is not the position that should be taken by a minister of the crown. A minister of the crown must himself stand behind those amendments, as must the house.

Mr. Garson: Oh, I do.

Mr. Green: Just a minute.

Mr. Garson: I stand behind them one hundred per cent.

Mr. Green: I would ask the minister to wait until I finish. With regard to this amendment to the Pension Act and with regard to the amendments referred to by the hon. member for Calgary West, the minister has taken the attitude that the draftsman is a fine draftsman; therefore everything is all right and we must not question his work. Time and again in the special parliamentary committee on veterans affairs we have seen amendments to the Pension Act brought in which have been passed by the counsel of the department, by the chairman of the pension commission, and by everyone in the department who has considered them. Yet we have found them to be full of holes. I am sure that this is just another such case.

Section 11 of the Pension Act refers to disabilities attributable to or incurred on service. As I pointed out today, section 21—which is the meritorious service pension section—does not deal with that kind of pension at all. It deals with a pension which is based on meritorious service. The same argument applies to pensions to a dependent parent and to a dependent brother or sister. I cannot see why there should not be an amendment making it absolutely clear that these pensions which are not based on disability arising through service are to be available for the veterans of Newfoundland. It is just slipshod drafting, and now the government will not even take the trouble to set it right.

Mr. Claxton: It is not slipshod drafting at all.

Mr. Green: The government are asking us to take their assurance that everything will be lovely, that the pension commission will interpret this amendment in the way it should be interpreted, and that nobody need worry. That is not good enough for the veterans of Newfoundland any more than it would be good enough for the veterans of Canada. I am sure that if there were a special committee on veterans affairs it would never be satisfied with the amendment that is now brought down. Once again I urge the Minister of Justice and the Minister of Veterans Affairs to put in a clear-cut amendment so that the veteran in St. John's who reads the act will know exactly what he is entitled to, and will not need to be referred back to some draftsman in the department.

Mr. Garson: I think that my hon. friend, quite unintentionally, has been most unfair to the draftsman. There is nothing slipshod about any of this work. I do not know about these other cases of which my hon. friend speaks. They may not have been done by this gentleman. But I would put him up against any draftsman in the whole of Canada.

Mr. Green: Surely this house is not just dependent on the draftsman.

Mr. Garson: Just a minute; I would ask my hon. friend to be patient until I finish. We are not simply standing behind the draftsman or simply invoking his skill or talents as a draftsman; that is not the only reason for our stand. But my hon. friend is the one who is attacking this section. We say it is quite adequate, and we stand here as responsible ministers and quote the responsible head of the pension commission and the draftsman, who also say that it is quite adequate. They say that they have been acting under it for some considerable time and have been so interpreting it.

Mr. Green: They have not yet acted under it at all.

Mr. Garson: No, not under this, but treating entitlement under section 11 as carrying with it these other benefits under these other sections of the act. If my hon. friend says that is not correct, in the face of the responsible statements that are being made to that effect, I think he owes it to the committee to get up and give some demonstration of the accuracy of his statement. We are committing ourselves on *Hansard* if you like, and making a statement of government policy, which is also contained in the terms of union between Newfoundland and Canada, as to exactly what we propose to do. I do not see how we can be any more specific.

It may be that my hon. friend detected some note of caution in my remarks when I said this afternoon that it was necessarily the duty of the law officers, when they were drafting a bill to carry into effect the terms of union between the two countries, to go to these terms of union to find the basis of the bill that they were drawing. That is all I said. I did not indicate any more than our contention that the bill which the committee has before it carries into practical and effective application the terms of union. My colleague then rose and told the committee exactly what the arrangements and understanding were. The terms of union are before the committee. Hon. members can read the

sections which relate to veterans' pensions. In the face of all that, I do not think it is reasonable for my hon. friend to say or to intimate that this is a piece of slipshod drafting. If you submit it to any group of competent lawyers who are skilled in draftsmanship I am sure they will tell you that it is nothing but a very good piece of draftsmanship.

Mr. Green: I refer the minister to section 21 of the Pension Act. He is apparently taking the position that the section under which all pensions are granted is section 11, that it is the foundation for all other pensions. I shall read section 21, paragraph 1:

> The commission may, on special application in that behalf, grant a compassionate pension, allowance or supplementary award in any case which it considers to be specially meritorious, but in which the commission has decided that the applicant is otherwise unqualified to receive such an award or supplementary award under this act.

That expressly takes out of consideration any award under section 11.

Mr. Garson: Why does it?

Mr. Green: Because it says "otherwise unqualified". Section 21 is applicable to a man who cannot qualify under section 11. I do urge that at least the minister include in this amendment "for the purposes of sections 11 and 21".

Mr. Garson: We do not want to appear in any way stubborn in this matter, but we have checked with the law officers in the first place a bill which we regard as satisfactory and adequate to achieve the purpose in hand. My hon. friend, in the diligent exercise of his duties, for which I wish to compliment him—it is what he should do—raises this question. We go back on the strength of the representations which he has made. We check with the draftsmen who drew the bill. We get the chairman of the pension board and check with him. We check with the minister and with the parliamentary assistant.

Mr. Green: He does not know much about it.

Mr. Garson: We confer and we come back and we say to you on our responsibility as ministers that the objections you raise are taken care of. In the face of all that, we have the right to be taken as acting with some degree of good faith and responsibility.

Mr. Bentley: I am not going to take the same position as a lawyer would because I am not a lawyer. I am just a simple sort of citizen and I like simple language. I am willing to take the minister's word that the draftsmen and the chairman of the pension commission meant what they said when they said that this section covers all the objections which were raised before the recess by myself and by other hon. members. If that is so, will the minister tell me why simple wording would not have covered it? Veterans either in Newfoundland or in Canada are not all lawyers, but we do like to understand as clearly as we can the legislation which affects us. If this section is supposed to cover all the objections that were raised, why could it not have been worded something like this and be done with:

> A citizen of Newfoundland who is a veteran of the armed services will be taken to be a veteran as defined in all Canadian pension legislation and entitled to all the benefits therein contained.

If that were done I would have no doubt about what was meant. Why should not a lawyer be in the same position as myself and also have no doubt about simple language?

Mr. Garson: My hon. friend has asked me one of the most embarrassing and difficult questions that a layman has ever asked a lawyer, and to give a proper reply would take a much longer time than is available at the moment, and it would try the patience of hon. members.

Mr. Knowles: Especially a lawyer.

Mr. Garson: That is right. My hon. friend must remember—and I am sure he knows this—that pension legislation is exceedingly complex. That is the point he has just made. So far as the present problem is concerned, our task is to fit into this complex statute a new group of pensioners whom we are bringing into Canada from another country. I am not going to take up the time of the committee to attempt to answer my hon. friend's question. There is a good answer to it but it would take a much longer time than the committee would care to listen.

Mr. Bentley: I would listen for a long time to get it.

Mr. Garson: These men who spend their lifetime drafting statutes are not the fools that people take them to be; and if there were simpler ways of doing these things I am sure that they would use them. Remember this, they have to make sure not only that people understand the law but also that no one who wishes to misunderstand it can misunderstand it. That is one of the things that have to be taken into consideration. It is a much more difficult task than a layman thinks it is. If it were as simple as my hon. friend's suggestion, I think I would offer him a job as a draftsman right now.

Mr. Lennard: If the statutes were as simple as the hon. member for Swift Current would

wish them to be, the lawyers in this country would have nothing to do. That is one very good reason why the statutes are so difficult to understand.

Mr. Garson: That is very ungenerous.

Mr. Lennard: I should like to ask the Minister of Veterans Affairs if additional commissioners will be appointed to administer the act in Newfoundland. Will they necessarily be Newfoundlanders and will they be veterans of either of the two great wars?

Mr. Gregg: The additional load brought about by applicants for pensions in Newfoundland will be carefully considered, and if it is necessary to increase the number of the present pension commissioners it will be done. In doing that I can assure my hon. friend that the need for a close understanding of veterans problems in Newfoundland will be kept in mind.

Mr. Lennard: The minister means, then, that Newfoundland will have its proportion of any additional commissioners who are appointed.

Mr. Gregg: In increasing the number of present commissioners, that will be carefully considered.

Mr. Ferguson: It is refreshing to see the Minister of Justice going over the laws that are to become effective in Canada. That is entirely different from the war years, when orders in council and new laws were passed without any discussion. Fortunately, through the recent efforts of a very bright lawyer, Mr. John Hamilton of Toronto, the court of appeal of Ontario showed quite clearly that some of the laws made by order in council without discussion should be repealed at the present time. It is found that the fines and penalties imposed are not holding up. Certainly these laws should be discussed thoroughly before they are made effective in the new province.

Mr. Case: Is it the general practice of the Department of Veterans Affairs to employ veterans?

Mr. Gregg: Yes.

Section agreed to.

Sections 43 and 44 agreed to.

On section 45—*The War Service Grants Act, 1944, and The Veterans Rehabilitation Act.*

Mr. Brooks: We note from the terms of union that sections 6, 7 and 8 of the Veterans Rehabilitation Act will be extended to Newfoundland veterans of the second world war. In looking at section 6 of the Veterans Rehabilitation Act we find reference to allowances while awaiting returns from business, allowances where there are rehabilitation grants, and the time within which application may be made. This last subsection is as follows:

> (3) Except as hereinafter otherwise provided, no allowance may be paid under this section unless application therefor is made by the veteran within twelve months after the date of termination of the war or the date of his discharge, whichever is the later date.

I do not see how, in view of this time limitation, that subsection can be made to apply to Newfoundland. We know the war has now been ended for some three years. These persons could not possibly make application for benefits under that subsection within the time limit specified, unless some amendment were made to the act—at least, that is the way it strikes me.

Then section 7 refers to allowances during vocational or technical training, and the time limit within which the application is to be made is, to use the words in subsection (2):

> No allowance may be paid under this section unless application therefor is made by the veteran within twelve months after the date of termination of the war or the date of his discharge, whichever is the later date.

I do not see how that section can apply to a Newfoundland veteran. Frankly I do not see the benefit of these sections, or why they are included in the bill.

Then, section 8, which deals with allowances where veterans are undergraduates, sets a time limit of one year and three months after discharge.

It is possible that what the Minister of Justice said a few moments ago is true, namely, that the drafting of the act has been done carefully, and that there are no mistakes. But it does seem obvious to me that if we are going to limit the time for application to twelve months after the close of the war, or to one year and three months, and say to a Newfoundlander, "You will receive the benefits of this act if your application is made within that time", we will not have accomplished anything. I should like to have an explanation of this, and would ask to be told how these sections can apply to veterans of Newfoundland.

Mr. Gregg: Again this reverts to the governing paragraph 38, which has been discussed at some length, to ensure that every item is carried out on the same basis as for Canadian veterans. As I said the other evening, there are some exceptions, particularly in respect of a veteran who may have been in hospital since the close of the war. I said at that time that, like those taking university training, there would be very few who would be able to take advantage of the other sections. But the sections to which the hon.

member has referred are inserted by the draftsman to carry out the intent of section 38 of the terms of union.

Mr. Green: In the terms of union we find in section 42 reference to the merchant seamen of Newfoundland. I would point out to the minister that there are certain defects in the provisions now made for these men. These provisions are of particular importance to Newfoundland, because the men of that dominion have been men of the sea. I do not think there can be any doubt that a much larger proportion of Newfoundlanders have taken to the sea than would be found in any of the nine provinces in Canada.

On December 29, 1948, order in council P.C. 5983 was passed which, at long last, did provide some help by way of rehabilitation for Canadian merchant seamen. However, it does not go far enough. For example, a merchant seaman cannot qualify for vocational training unless he is under thirty years of age. This means that a man of twenty-two or twenty-three years who joined the merchant navy in 1939 is now ineligible for this training. To me this is an unnecessary and unwise limitation.

I cannot see why the age limit should have been inserted, particularly in view of the fact that the Minister of Veterans Affairs and the Minister of Transport have wide discretion in either granting or refusing such vocational training. Now that we have before us the question of what is to be done for the merchant seamen of Newfoundland, I suggest that that thirty-year qualification be removed, and that merchant seamen be permitted to take vocational training no matter what their age, if it is considered that such seamen can benefit from the training offered.

There is a further restriction which states that the applicant must apply by July 1 of this year; otherwise he is not eligible for training. I cannot see the reason for that provision, either. Many of the men of the Canadian merchant navy are away on their ships, possibly in the Indian ocean or across the Pacific, and may not return for many months. Yet, unless they are back in Canada and have made their applications before July 1, they are ineligible for this vocational training. I submit that restriction should be removed from the order in council.

I have one further complaint to make about the present provisions. As a matter of fact, I have several other complaints, but at the present moment I am pressing only one of them. It is that these merchant seamen have not been given any educational training rights. While they are permitted to take vocational training, for some reason or other they are not allowed to take educational training. I know of several young men in Vancouver who served in the merchant navy, men who were under fire and who served on ships which were sunk. Yet these men cannot qualify for educational benefits. In the same classes, however, are army men who did not get out of Canada, but who do qualify for educational training—a situation which I say is most unfair. It has never been just. Now that we are dealing with a large number of merchant seamen from Newfoundland, I suggest that this injustice should be rectified.

The Chairman: Shall the section carry?

Mr. Green: I should like a statement from the minister.

The Chairman: Before the minister makes a statement I think I should point out to the committee that a general discussion at this time on the questions that have been raised would be out of order because that particular act is not before the committee and the committee could do nothing about it.

Mr. Green: I submit that the questions I have asked are not out of order at all. They may have been asked under the wrong section, but I do not think they have. We are dealing with the rehabilitation act and if the chairman will refer to the explanation opposite page twenty of the bill he will find a reference to the terms of union having to do with merchant seamen. Those terms bring up the very points that I have raised. If the discussion is not in order under section 45 of the bill it would be in order under section 47. As a matter of fact I think it is in order under both sections.

Mr. Garson: This is a bill containing consequential amendments to make our law applicable to Newfoundland for the purposes of carrying out the terms of union. Surely that does not open up all the subject matters covered by that law. If it did, we could sit here for months discussing everything covered by all these acts. The only thing before the committee is whether this particular section shall be amended as stated in the bill. We are not discussing the propriety of the policy.

We have not raised objections before because we did not want to be technical about the matter, but as a government we have not much choice because we have entered into an arrangement with Newfoundland and have agreed to a contract known as the terms of union. In order to implement that, we require amendments to certain sections of our statute law. The only question that is really before us is: Are we to amend them or not?

This provision has been brought down to amend the sections, but I submit that that does not open up the subject matter of every one of these statutes.

Mr. Green: Section 42(2) of the terms of union deals with vocational training as applied to merchant seamen, and rehabilitation is dealt with in section 45 and also in section 47 of the bill. The explanation opposite section 47 points out the various enactments which give these rights. The enactment to which I have been referring is a particular order in council and I submit that I am in order in asking the Minister of Veterans Affairs why a change should not be made in the order in council along the lines I have suggested.

The Chairman: The work of the committee is, as I understand it, to consider whether these acts and the order in council to which the hon. member has referred should be made applicable to Newfoundland. I do not think that allows a discussion of each and every act referred to. As the Minister of Justice has pointed out, if it did, we would make no progress whatsoever. As I stated before, if hon. members think that some particular act which is now to be applied to Newfoundland is wrong or improper and should be changed, this committee can do nothing about it because that act is not before the committee. I think the work of this committee is to decide whether an act as it now stands, good or bad, should be applied to Newfoundland. But, in my opinion, to go further than that would be going beyond the powers vested in the committee.

Mr. Green: I suggest that the minister be allowed to make a statement at this point.

The Chairman: I had not intended to stop the minister but I thought I should point out what I thought was the proper procedure for the committee.

Mr. Gregg: Within your ruling, Mr. Chairman, with which I heartily agree, I would say to my hon. friend that the terms which apply to Canadian seamen will apply to those of Newfoundland, and the order in council to which he refers and which extends those benefits to Canadian seamen will also apply to Newfoundland, even if amended.

Mr. Young: I take it from your ruling, Mr. Chairman, that the question we have to decide is whether we are in favour of applying this section to Newfoundland. Whether it is good or bad must necessarily have some bearing upon whether we are in favour of applying it to Newfoundland. The hon. member for Vancouver South has pointed out that we do not think it is good enough for Canada and that is why we do not think it is good enough for Newfoundland.

Mr. Gillis: This is a matter we have been kicking around for a long time. I am not going to repeat anything the hon. member for Vancouver South has said because I agree with everything he said. This is not the first time he has made this statement in committee and in the house. I agree with the ruling of the chair that there is not much we can do with the section at this time. In view of the fact that the Minister of Veterans Affairs has stated that no veterans affairs committee will be set up at this session, he should before the house rises make a statement on this question of merchant seamen.

They have had a terribly raw deal. There are not many of them and it would not cost a great deal of money to apply to these merchant seamen the benefits given to veterans who served in the armed forces. To class the merchant seamen who served during the war as just ordinary seamen working for a private company is shabby treatment when we consider the contribution they made to the war effort. This is not good enough even for the Newfoundland seamen. Before we go to the country for re-election this is one mistake that should be remedied. The provisions of the act should be changed in order to remove this injustice. I am not arguing the merits or demerits of the act; I am merely associating myself with the hon. member for Vancouver South.

Section agreed to.

On section 46—*The Canadian Citizenship Act.*

Mr. Fraser: The suggestion to be added reads:

A person who was a British subject on the first day of April, nineteen hundred and forty-nine and (iii) was domiciled in Newfoundland on the said first day of April; is a Canadian citizen.

A British subject domiciled in Canada must wait five years before he can become a Canadian citizen.

Mr. Gibson (Hamilton West): I have an amendment to move which covers the point my hon. friend has in mind, that a British subject should be required to be domiciled in Newfoundland for the same length of time as in Canada, that is five years, before he would automatically become a Canadian citizen. The amendment I wish to move is, first, that the words "had Newfoundland domicile" be substituted for the words "was domiciled in Newfoundland" in line 42 on page 19; second, that the words, "Newfoundland domicile" be substituted for the words "domicile in Newfoundland" in lines 9 and 10 on page 20; third, that the words "and

Newfoundland domicile means domicile in Newfoundland for at least five years," be added after the word "Canada" in line 12 on page 20. The effect of that amendment would be that a British subject who had been residing in Newfoundland would require to have five years' residence before automatically becoming a Canadian citizen.

Mr. Pearkes: The same draftsman?

Mr. Fraser: I guess it was the same draftsman the hon. member for Vancouver South was talking about. I want to direct a question to the Secretary of State. The citizenship forms from A to O are, I understand from court clerks, rather vague, and in many cases they have difficulty in discovering which form they should use. I wonder if those forms could be checked over, perhaps by the same draftsman, to see if some corrections could be made, or if they could be made simpler so they may be understood by these court clerks, who are very intelligent people. I wonder if the minister has had any complaints in that connection.

Mr. Gibson (Hamilton West): No, I have had no complaints, but I shall be glad to have the matter looked into. Of course those forms do not come up for consideration under this section—

Mr. Fraser: I know they do not.

Mr. Gibson (Hamilton West): —but I shall be glad to do as my hon. friend suggests, and see if any improvement can be made for the benefit of those applying for citizenship.

Mr. Fraser: Those forms will have to go to Newfoundland, and I thought they should be as simple as possible so they may be easily understood.

The Chairman: Would the committee like to carry the amendment and then discuss the section as amended?

Mr. Jaenicke: No, Mr. Chairman; I want to speak to the section first. Under the citizenship act a natural-born Canadian citizen includes one who has been born on a Canadian ship. In this section there is no provision for anyone born on a Newfoundland ship. Does not the Secretary of State think provision should be made to cover such person? As I read the section, a person would not be included as a natural-born Canadian citizen who was born on a Newfoundland ship.

Mr. Irvine: It will become a Canadian ship now.

Mr. Jaenicke: But he is already born.

Mr. Howe: I do not think there is any such thing as a Newfoundland ship, because I do not believe there is a Newfoundland registry.

Mr. Adamson: The amendment makes even more pertinent the question I want to discuss; that is, the status of a woman who married a foreigner prior to January 1, 1947. Under our citizenship act a Canadian-born woman who married a foreigner, other than a United States citizen, prior to January 1, 1947, loses her Canadian citizenship and status. If she marries a foreigner after that date she retains her Canadian citizenship. During the war a great number of women—and I propose to speak to the minister about this—married Norwegians and citizens of Holland and other countries, and these women have lost their Canadian citizenship. Recently in the United Kingdom an act was passed, which I presume would apply in Newfoundland as well, making the national status of a married woman retroactive. In other words, if a citizen of the United Kingdom married a Norwegian or a citizen of Holland, she retained her United Kingdom status and citizenship, and presumably the same applies to a Newfoundland woman.

We are going to have an anomaly here. This is a question I hope to bring up later when we discuss our own citizenship act, but it has a direct bearing on these women in Newfoundland. Any Newfoundland woman who married a foreigner prior to January 1, 1947, will find herself deprived of Canadian citizenship because of the non-retroactive nature of our legislation. I feel that at least the position should be clarified at the present time, so that women who were married to foreigners prior to January 1, 1947, will be able to regain their Canadian citizenship, just as the women of the United Kingdom have been enabled to do.

Mr. Gibson (Hamilton West): The hon. member is quite right. If a British subject married a foreigner and acquired the nationality of her husband she did lose her status as a British subject. That has caused a certain amount of difficulty, and consideration is being given at the present time to bringing forward amendments to our citizenship act dealing with some aspects that we have come across since the act came into force on January 1, 1947. I do not think the difficulty would apply in the case to which my hon. friend refers, that of a resident of Newfoundland. If, as he says, she regained her British citizenship under the terms of the British citizenship act, then at the time Newfoundland comes into confederation she will be a British subject already.

Mr. Adamson: I am very glad to hear the minister make that statement, because many Canadian women who married foreigners prior to that date are now in great distress. Take the case of a Canadian woman who married a Norwegian airman and now wishes to return to Canada. She finds herself blocked by all the regulations and restrictions that we place on immigrants coming to Canada. There are some Canadian-born women who are back in this country under temporary permits and who, unless the law is changed, may be forced to return to Norway or some other foreign country even though their husbands may have died in the meantime. So I am glad to hear the minister say consideration is being given to this situation.

Amendment agreed to.

Section as amended agreed to.

Section 47 agreed to.

On section 48—*The Explosives Act, 1946.*

Mr. Hazen: Will the minister explain this section?

Mr. Garson: I think it is fairly self-explanatory. It reads:

A licence or permit issued under the act of Newfoundland relating to the manufacture, storage, importation and sale of explosives . . . shall be deemed to be a licence or permit issued under The Explosives Act, 1946 . . . for the purposes stated in the licence or permit, as the case may be.

In other words, they have a Newfoundland licence now subsisting. That will be accepted under our act as a licence for the manufacture or storage of explosives under the Canadian statute. My information is that the existing licences in Newfoundland will carry them through the present licence year.

Mr. Hazen: These licences are granted only for a year, are they?

Mr. Garson: Yes, or for a definite licence period.

Mr. Hazen: Would there be two authorities that could grant licences?

Mr. Garson: Oh, no. The dominion will be granting the licences from now on, after our laws go into effect. In the meanwhile, the people of Newfoundland have paid something to the Newfoundland government for a licence. If this provision were not enacted, we would be guilty of trying to make the people pay double for this licence period by making them get a new Canadian licence.

Section agreed to.

Section 49 agreed to.

[Mr. Gibson (Hamilton West.)]

On section 50—*The War Veterans Allowance Act, 1946.*

Mr. Drew: There are two or three points about section 50 that I think should be taken into consideration. First of all, there is the wording of section 50. It now reads:

For the purposes of paragraphs (b) and (c) of section four and section nine of the War Veterans Allowance Act, 1946, chapter seventy-five of the Statutes of 1946, His Majesty's Canadian forces include His Majesty's forces raised in Newfoundland—

For the purposes of what I wish to mention in that respect, I need not go further with the quotation.

In section 49, there is a noticeable difference in the wording which, it seems to me, has some meaning. In subsection one of section 49, we read,

in any of the naval or military forces of Newfoundland or, having been recruited in Newfoundland, in any of the naval, military or air forces raised in Newfoundland by or on behalf of the United Kingdom . . .

From the the reading of those words in section 49, it would appear that a distinction is drawn between recruited and raised. It would appear that the word "raised" relates to the forces and not to the individuals and that, consequently, unless the forces were raised in Newfoundland the individuals who left Newfoundland to serve in those forces could not be included in the wording of section 50. I think the minister will see the point I am making. The word "raised" in section 49 relates to the forces and not to the individuals. If that is correct, then the individuals recruited by or on behalf of the United Kingdom in forces raised outside Newfoundland would not be included in the provisions of section 50. I am sure the minister has my point quite clearly in that respect and, that being so, I will pass on to the next point I wish to make in regard to section 50.

This relates to a very special type of provision for veterans. It is not a provision relating to the length of service, the extent of injuries or anything of that nature. It was a special provision enacted some years ago to deal with those cases of ageing veterans for whom no other provision was made in the various acts. The expression used at the time was that it was a provision for burnt-out veterans. In other words, it was to take care of ageing veterans who, for various reasons, were incapable of earning their livelihood. Instead of placing them in the ordinary position of dependents on state support, special provision was made which had regard to their military service.

It seems to me that, no matter what may be said in other provisions regarding veterans, this special provision on behalf of the

so-called burnt-out veterans should apply to all veterans whether they served in the armed forces of Canada, the armed forces of Newfoundland, which will become a part of Canada, or the armed forces of the United Kingdom. The Minister of Veterans Affairs is well aware that this subject has been placed before him at different times, not only by the Imperial War Veterans Association on behalf of its membership, but also by the Canadian Legion, who have urged the inclusion of the imperial veterans. It is appropriate to discuss this subject at this point because this section could now be amended so that it would include, in respect to those veterans now in Newfoundland who would be affected by the provisions of the war veterans allowance, all the imperial veterans as well as the veterans who would be included under this provision as it is now drafted.

I recognize immediately that a point could be made by the Minister of Veterans Affairs that, if this section were amended to include imperial veterans as well as the veterans of the Newfoundland armed forces or veterans of the forces of the United Kingdom recruited in Newfoundland, there would be an inconsistency between the provisions of this act as it applies to those veterans living in the new province of Newfoundland, and those veterans living in the other nine provinces of Canada. I recognize that, and therefore I concede immediately that, if the minister were to concur in my recommendation, it would be necessary to decide at the same time that there should be a similar amendment so the war veterans allowance would apply not only to the veterans of the armed forces of Canada but also to all imperial veterans in Canada.

I raise this question now and urge the acceptance of the amendment, recognizing that it would also properly call for an amendment to the general act to apply to these veterans throughout the whole of Canada. I believe that is a step which should be taken. It has been recommended by the Canadian Legion and the Imperial War Veterans Association. I do not wish to repeat unnecessarily what I have said, but I urge that the distinction be recognized between this provision and many of the other provisions relating to veterans where the force in which they served is the guiding factor, and the length of service or the nature of the wounds they received has some bearing on the consideration given. I repeat that this is a special provision for ageing veterans which is intended to avoid the necessity of those veterans being dependent upon other societies or the state, and recognizing the special type of service they have rendered to the state.

I believe that, under such circumstances, the imperial veterans who have come to Canada, who have become citizens of this country, and who find themselves unable to work because of war exhaustion in addition to the effects of age, should receive this allowance. I believe the imperial war veterans in Newfoundland, which will shortly be a province of Canada, should also receive it. I urge consideration of this matter.

Mr. Cruickshank: Mr. Chairman, I should like to say a word about this section. As a member of the veterans affairs committee of last session, I am very glad to see that, in the new leader of the opposition, I have a new recruit for my party. I had the privilege of urging this very action before the veterans affairs committee of last session. I did not think that I would have an opportunity to speak on it now, but apparently it is in order.

The Chairman: I cannot agree with the hon. member that the discussion is in order at this time. I did not stop the leader of the opposition—

Mr. Cruickshank: Are you going to stop me?

The Chairman: —and I have no intention of stopping the hon. member for Fraser Valley. I should point out, however, that the discussion is not in order.

Mr. Drew: I do not wish to interrupt the hon. member for Fraser Valley, but I wish to question the statement that this discussion is not in order. It is certainly within the competence of the government, if they see fit, to make the amendment I have suggested with regard to Newfoundland veterans, and then at a later date to make the amendment with regard to veterans now in Canada. I am relating my remarks to this section as it relates to Newfoundland, and the only way that I referred to the Canadian veterans was in stating that, if this amendment were to be made in regard to imperial veterans in Newfoundland, it would certainly also have to be made with regard to veterans in the rest of Canada. But I submit that the suggestion that this section be amended to include imperial veterans is certainly in order.

The Chairman: Perhaps I should have qualified my remarks in the way mentioned by the leader of the opposition. The discussion, however, is out of order if it relates to an amendment of the War Veterans Allowance Act. That act is not before the committee for consideration at the present time. As the leader of the opposition has stated, if

an hon. member suggests an amendment to the section which is now being considered, namely, section 50 of this bill, it is in order. But I want to tell the hon. member for Fraser Valley again that I did not rise for the purpose of interrupting him, but rather merely to point out that in my opinion a general discussion on the War Veterans Allowance Act at this time is not in order.

Mr. Herridge: On a point of order, Mr. Chairman, may I say that I am sorry I cannot agree with your ruling in this respect. I thing it is over-generous. I believe we are passing a bill to give to Newfoundland present legislation in Canada.

Mr. Garson: That is right.

Mr. Herridge: In my opinion, the amendment submitted by the leader of the opposition is definitely out of order. A good many members on all sides of this house have advocated this principle with regard to Canadian veterans but have not taken part in this debate because they considered they were out of order in discussing that question at this time. I contend, Mr. Chairman, that if the leader of the opposition and others are permitted to discuss this amendment on that basis, we shall have an open discussion actually related to changing the present Canadian legislation.

An hon. Member: Something which is not before the committee.

Mr. Ferguson: I believe the hon. member for Fraser Valley only wanted to show his keen desire to follow my leader.

Mr. Cruickshank: I guess I am not going to get a chance around here at all. Any time the leader of the opposition is not out of order, I am not either. He was not ruled out of order.

Mr. Ferguson: The hon. member will never go wrong by following my leader.

Mr. Cruickshank: I was glad to see that he was adopting some of my policies. Three members of his party, who were also members of the committee on which I sat last year, did not see fit to be present and vote when this question was being dealt with. Instead, they were out fighting by-elections.

Mr. Green: On a question of privilege, Mr. Chairman, may I say I am amazed that the hon. member for Fraser Valley should attempt to make a statement of that kind. He made the statement at the Canadian Legion convention, and my own name was brought up. A day or two after I left for the west I was replaced on the committee by another member. Yet I was most unjustly accused by the hon. member for Fraser Valley of having run

[The Chairman.]

away from the veterans affairs committee. That was a most unfair statement to make.

Mr. Cruickshank: There is only half an hour left, Mr. Chairman, but I will get my word in yet, if no more points of order are raised. The hon. member for Vancouver South is quite correct when he says he was replaced by another member who did not see fit to attend. I made the statement that two members worked in by-elections; I could mention the ridings in which they worked. When it comes to the question of fairness, I want to point out to the hon. member for Vancouver South that he did not hesitate to come before the Canadian Legion in Vancouver and say that the member for Fraser Valley, on a straight vote of confidence, did not vote in favour of this measure, when it was before the committee.

Mr. Drew: This is out of order, Mr. Chairman.

Mr. Cruickshank: Let us have a little bit of fairness here. It works both ways. Hon. members here know that.

The Chairman: Order.

Mr. Cruickshank: I shall now come back to the section, if I may be permitted to do so.

Mr. Timmins: On a point of order, Mr. Chairman—

The Chairman: Order. The hon. member for Fraser Valley says that he now intends to discuss section 50.

Mr. Timmins: The hon. member for Fraser Valley referred to me. I was the member who succeeded the hon. member for Vancouver South on the veterans affairs committee. At that particular time I was attending three standing committees of the house, and I attended the veterans affairs committee as many times as it was possible for me to do so. The record will show that I attended on most of the occasions on which it met. I highly resent the suggestion made by the hon. member for Fraser Valley that I did not do my duty as a member of that committee.

The Chairman: May I now ask the committee to consider section 50.

Mr. Cruickshank: All right. Speaking on the point of order, Mr. Chairman, before continuing—

The Chairman: Order.

Mr. Cruickshank: On the point of order, Mr. Chairman, I did not say that the hon. member for Parkdale was not doing his duty. He has always done his duty in this house. I never insinuated for a moment that he was not doing his duty. I accept his apology for

attending an inferior committee instead of attending the veterans affairs committee. I now want to come back to the section. I believe that if the veterans from Newfoundland—and I am one of the few who know how to pronounce the name of our new province—

Mr. Archibald: That is where the margarine comes from.

Mr. Cruickshank: It has not yet been sold in British Columbia. But as I was about to say, I believe that if the veterans of Newfoundland including the imperial veterans there, are entitled to this increased allowance —and I believe they are—then the veterans of Canada should be entitled to this increased allowance right now. A burnt-out veteran, which is the term usually used, gets less than an old age pensioner. Surely it is not the desire of the people of Canada that a veteran who is burnt out, through serving his country, should get less than an old age pensioner gets, little as that is. Speaking right on that section, and I am sure I am in order, let me say that, if the veterans of Newfoundland are to get this burnt-out pension, I think they should get more. I am referring to the section, Mr. Chairman. I say they should get more; and the only way they can get more is to get exactly the same as Canadians are getting. I am strongly urging on the government that reconsideration be given to the matter. I am still sorry that my friends in the opposition did not see fit to attend that meeting of the committee to which I have referred, because there was a tie vote, which was decided by the chairman. If those hon. members had been there, instead of working in by-elections, the measure would have been passed.

Mr. Williams: I should like to put in my threepennyworth on this matter anyhow. The hon. member for Yale and I had a conference with some of the legion officials here in Ottawa on this question that has been tossed into this discussion. On the advice of these legion officials we refrained from injecting into the discussion of questions referring to veterans of Newfoundland anything pertaining to veterans of this country. We did that at the express request of some of the legion officials here in Ottawa. We have deliberately refrained from taking advantage of either the legion or the temper and patience of the house by injecting this question into this discussion. I am sorry to see that it has been brought up, because my colleague, the hon. member for Yale, and I were impressed with what the legion officials told us. On this veterans question the legion officials were particularly anxious—

Mr. Ferguson: Where?

Mr. Williams: Here in Ottawa.

Mr. Ferguson: That may be so.

The Chairman: Order.

Mr. Ferguson: We are veterans, and we do not agree.

Mr. Williams: I am not disputing that you are veterans. You may also be something else besides veterans. I am not going to get into an argument on what you are. I am just making a statement in the house and I think I have the same right to do that as the leader of the opposition. I do not want to make a Donnybrook Fair out of it, but if you insist we shall have one.

The Chairman: Order.

Mr. Williams: I was going along all right until the interruptions started. I can be as patient and quiet as any hon. member of the committee until they start making it awkward. As I was saying, Mr. Chairman, we did this at the express request of the legion officials. I am sorry to see that it has been injected into the discussion at this time, particularly when the legion requested us not to do so; yet their name has been rung in on it. They want to see that the veterans of Newfoundland are getting at least the same as the veterans of Canada. What they do afterwards is something the legion is going to decide, but at this moment the legion is particularly anxious to see this section on veterans affairs go through without any amendment or without any discussion whatsoever, and I hope that we listen to the voice of the veterans organization and see that that is done.

Mr. Ross (Souris): I want to say just a word here.

The Chairman: I wonder whether I might make a suggestion. We have had remarks from representatives of three parties in the house. I think I have given a great deal of leeway in the strict interpretation of the rules; I have not been strict at all. But from now on the discussion should be strictly relevant to the section.

Mr. Ross (Souris): I think what I want to say has some bearing on the section. Mr. Chairman, probably you will permit me to endorse the remarks of my leader and of the hon. member for Fraser Valley. Having been present when the vote to which he referred took place, I want to endorse what he said about the actions of that committee. I think that under this section I should be permitted to say that we should have a standing committee of this House of Commons on veterans affairs. Nowhere will you find a greater need for it than right in this section.

The Chairman: Order.

Mr. Ross (Souris): This section does show the house and the country how important it is, and what some of the future difficulties will be for the servicemen from Newfoundland when they are taken in. That will be only one of their very many grievances. As I have requested in past sessions, I think it is important that the Minister of Veterans Affairs reconsider the matter of setting up a standing committee on veterans affairs.

Mr. Merritt: Before section 50 passes, may I say there has been considerable discussion as to whether it is in order to advocate under this section that imperials be brought under the War Veterans' Allowance Act.

The Chairman: Order. I have ruled that such a discussion is not in order.

Mr. Merritt: I am aware that you have so ruled, Mr. Chairman. My point arises not out of the general question whether imperials should be brought under the act, but out of the wording of the section itself. In bringing in the bill the government has seen fit to select certain Newfoundland veterans to come under the provisions of the War Veterans' Allowance Act. The veterans they have selected are those who served apparently in His Majesty's forces raised in Newfoundland. I am certain that the number of Newfoundland veterans who served in the forces raised in Newfoundland must be a small proportion of the total number of Newfoundland citizens who served in the forces.

In the first part of his remarks the leader of the opposition raised the question whether the words, "His Majesty's forces raised in Newfoundland" went as far as the words in the previous section "persons who had been recruited in Newfoundland." I think it is perfectly clear that they do not go as far as the words used by the draftsmen of the bill in the previous section. It is going to become very important indeed, Mr. Chairman. For if, as I think most of us believe, there are among our new Canadians in the province of Newfoundland a very large number of ex-servicemen who served in the imperial forces and who did not serve in the Newfoundland forces, we may be limiting the application of the War Veterans' Allowance Act to forces in Newfoundland and cutting out the major proportion of Newfoundlanders who served in His Majesty's forces in the recent war.

It is my belief that the only way you will get around this point is probably to include all who served in the imperial forces. Certainly these words "His Majesty's forces raised in Newfoundland" are quite inadequate and I do not think the section should carry without a statement from the minister as to how many it will include. What proportion of the total number of Newfoundlanders who served will be included in this phrase?

Mr. Garson: I wonder whether we might get a definitive statement of this matter by saying that, under the terms of union, section 38, we undertake to do the following:

> Canada will make available to Newfoundland veterans the following benefits, on the same basis as they are from time to time available to Canadian veterans, as if the Newfoundland veterans had served in His Majesty's Canadian forces, namely,
>
> (a) The War Veterans' Allowance Act, 1946, free hospitalization and treatment, and civil service preference will be extended to Newfoundland veterans who served in the first world war or the second world war or both . . .

That is the substance of the contract between the two countries. Section 50 is intended to implement that undertaking, and it says:

> For the purposes of paragraphs (b) and (c) of section four and section nine of the War Veterans' Allowance Act, 1946, chapter seventy-five of the statutes of 1946, His Majesty's Canadian forces include His Majesty's forces raised in Newfoundland, and for the purposes of paragraph (d) of section four and paragraph (b) of section nine of the said act domicile in Newfoundland shall be deemed to be domicile in Canada.

Turning to section 9 of the War Veterans' Allowance Act we read this:

> In this part, unless the context otherwise requires, "veteran" means
>
> (a) a person who served during world war I and world war II as a member of His Majesty's Canadian forces; . . .

That is covered in section 50 by "His Majesty's forces raised in Newfoundland". Then section 9 (b) of the War Veterans Allowance Act states:

> A person who served during world war I as a member of His Majesty's forces other than Canadian forces—

That refers to the point mentioned by the hon. member for Vancouver-Burrard.

> —and was domiciled in Canada when he became a member of the said forces and was a member of His Majesty's Canadian forces during world war II.

In other words, it brings in the idea of domicile. I believe the hon. member for Vancouver-Burrard would admit that, once domicile is brought in, the fact that the returned man was not serving in His Majesty's Canadian forces but has Canadian domicile would bring him under section 9 of the act.

Then section 4 of the same act states:

> In this part, unless the context otherwise requires "veteran" means
>
> (a) Any former member of the Northwest field force who served in a theatre of actual war in the Northwest rebellion;
>
> (b) Any former member of a Canadian contingent who served in a theatre of actual war during the South African war, or any former member of His

Majesty's forces, other than Canadian forces, who served in a theatre of actual war during the South African war and was domiciled in Canada immediately prior to the eleventh day of October, one thousand eight hundred and ninety-nine, if in either case the former member landed in South Africa prior to the first day of June, one thousand nine hundred and two.

And then going on to paragraph (d), this being the one made applicable to Newfoundland residents:

(d) Any former member of any of His Majesty's forces, other than Canadian forces, or of any of the forces of any of His Majesty's allies, who was domiciled in Canada at the time he joined any such force for the purpose of the war and who served during such a war in a theatre of actual war, or is in receipt of a pension for an injury or disease incurred or aggravated during his service in such force, or has, in respect of a disability rated at more than five per centum of total disability, received, pursuant to the laws affecting the members of the forces with which he served, a final payment similar or analogous to the final payment authorized by the Pension Act.

I think that covers it pretty thoroughly.

Mr. Drew: I do not wish to labour the point, but I think there is a slight distinction which has not been recognized by the minister. The effect of section 50, as I see it, is to widen the meaning of the words "His Majesty's Canadian forces", as included in the sections he has just read, to include still further "His Majesty's forces raised in Newfoundland". That is correct, is it not?

Mr. Garson: As I understand it, it includes first of all His Majesty's forces raised in Newfoundland.

Mr. Drew: Yes.

Mr. Garson: And then, secondly, for the purposes of paragraph (d) of section 4, which I have just read, and also paragraph (b) of section 9, domiciled in Newfoundland shall be deemed to be domiciled in Canada, and will entitle them to be considered as veterans within the meaning of those sections. And that includes not merely service in Newfoundland forces or the Canadian forces but, in respect of section 4, it includes service in forces of our allies and in His Majesty's forces other than Canadian or Newfoundland forces.

Mr. Ferguson: I do not understand how the hon. member for Ontario (Mr. Williams) could take it upon himself to speak so forcefully on behalf of the veterans. It was only recently in a by-election in Carleton that the veterans spoke so clearly in stating that they wanted the leader of the Progressive Conservative party to speak for them in the House of Commons—not the C.C.F. party.

Section agreed to.

Section 51 and 52 agreed to.

On section 53—*The Emergency Exchange Conservation Act.*

Mr. Drew: This section certainly requires some explanation, I think, because it is a section which undoubtedly has the most unusual effect of any provision in the bill. It provides that, for the purposes of the Emergency Exchange Conservation Act, goods which have been imported into Newfoundland before the date upon which Newfoundland becomes a province of Canada are to be regarded as having come from the place where they were manufactured or produced for a year after the date on which this agreement with Newfoundland is consummated. I suggest we should have some explanation of the real purpose of this section and why a limitation of that kind was considered necessary.

Mr. Abbott: As the committee will see, the purpose of this section is to prevent evasion of import restrictions now in effect. We learned some time ago, when negotiations were in progress with Newfoundland, that it seemed likely that some people in Newfoundland might take advantage of the delay which would elapse before the union by importing into Newfoundland articles which were prohibited or under quota—articles such as expensive automobiles, textiles and the like.

Mr. Drew: Or liquids?

Mr. Abbott: I am not so sure about that—but possibly liquids, too.

And then it was thought that subsequently they might send them into Canada, after union was effected. This point was brought up during discussions with the Newfoundland delegation. We informed them we would have to take steps to protect against such a contingency, and I made a public statement on December 13, 1948, in connection with some other matters, to this effect:

Mr. Abbott also announced that the government proposes to take steps to prevent the shipment of prohibited or quota goods of foreign origin from Newfoundland to the other provinces of Canada after the date of confederation. If such steps were not taken, it would be possible for importers to defeat the exchange conservation measures by creating stocks of prohibited and quota goods in Newfoundland prior to union, for shipment to Canada after March 31, 1949. If such shipments were permitted, unfair advantage would be gained by those who attempted to get around the import controls in this manner.

The committee will realize that it was important to see that no such advantage should be taken, and that it would have afforded opportunity for importers in some cases to make substantial profits, which would have been manifestly unfair to their competitors in Canada.

I may say that the Newfoundland delegation accepted the point without question,

agreeing that the action was necessary. This section provides a term of a year—simply for the purpose of placing some time limit on it. We do not want it to carry on indefinitely. It simply means that we will look through the situation in Newfoundland to the country of origin.

Mr. Drew: How would the department determine what was affected by this section, and what was not? It seems to me that in passing a law we want to be sure it is practical as well as desirable.

Mr. Abbott: I am not sure of the details. I may say, however, that this was discussed with the deputy minister of customs, and we were assured that it was easily capable of enforcement. My colleague the Minister of National Defence confirms that view.

Section agreed to.

On section 54—*Coming into force.*

Mr. Shaw: A moment ago the hon. member for Fraser Valley indicated he was one of the very few who pronounced properly the name of the area now to be joined with Canada. I have made a check in recent hours indicating no less than seven pronunciations of the name of this island which we hope will become the tenth province of Canada.

In the interests of unity it might be well for some member of the government to indicate to the house and country the correct pronunciation of the name of this area to become our tenth province.

Mr. Drew: Well, it is not New Zealand.

The Chairman: Shall the section carry?

Mr. Shaw: I am not joking about this. I actually have before me seven pronunciations. The Minister of National Defence, the Prime Minister and others have been associated with gentlemen from that area and surely they should be in a position to give us an official pronunciation. I taught school for a number of years and I know the difficulties that teachers and children in our country are confronted with in connection with certain names found in the text books. I urge that this committee be given an official pronunciation of the name of this proposed tenth province.

Mr. Claxton: I can tell the hon. gentleman that I was just as concerned about this as he is when we began to meet with the Newfoundland delegation to discuss negotiations for the union of Canada and Newfoundland. I listened attentively to the opening and successive speeches and I found that the representatives of Newfoundland used three or four different pronunciations. All we can do is the best we can.

[Mr. Abbott.]

Mr. Shaw: It might be wise to ask those gentlemen to make an official submission to this parliament.

Mr. Knowles: May I ask the Minister of Justice another type of question before we finally pass this bill? Some of the sections state specifically that they are amendments of existing statutes; they state that section so and so of an existing statute is to be repealed and the following substituted therefor. Other sections merely say that for the purpose of such and such an act such is the case. There are two questions in my mind. The first relates to the office consolidations of acts and the other relates to the Revised Statutes of Canada, in connection with which we passed an act last year. Will all these sections be included in the office consolidations, or only those sections which take the place of sections already in the statutes?

Mr. Garson: I thought my hon. friend was going to ask me how to pronounce "Newfoundland."

Mr. Knowles: The minister has shown that in Manitoba he learned a great deal about New Zealand.

Mr. Garson: By way of reply to my hon. friend's serious question, I may say that the usual way to pick up these amendments provided by an omnibus statute of this sort is by an editorial footnote in the office consolidation or by a section inserted between the other sections of the consolidated act.

Mr. Knowles: That answers one question satisfactorily, but can the minister say what will happen with respect to the revised statutes?

Mr. Garson: In what respect?

Mr. Knowles: What will the commissioners who are to revise the statutes do with this bill once it is passed?

Mr. Garson: They will certainly take cognizance of it, and I should think that it would be published and then cross references would be made in the different statutes to which it refers. This is a statute of Canada and when all the statutes are revised this will be included along with the others. As to the statutes which this omnibus bill amends or changes—the Penitentiary Act, for example—they will be revised and will include the references made to them in this omnibus bill either by way of footnotes or inserted sections.

Section agreed to.

On section 37—*The Penitentiary Act.*

Mr. Hazen: We have not had an explanation from the minister in connection with this section.

Mr. Garson: The hon. member for Calgary West raised three points in reference to this section. First, he objected to the use of the word "place". I discussed this with the draftsman and while he thinks—I share his views—that "place" is all right, there is no objection to substituting for that word the word "penitentiary".

Then the hon. member suggested that the words "city of" should be inserted before the word "St. John's". We have no objection to introducing those words. If the word "penitentiary" were used, we would have to strike out the words "that place of confinement" at the end of subsection 1 and substitute therefor the words "the said penitentiary".

Then the hon. member referred to the fact that whereas the section states that the place of confinement shall be subject to the statutes, rules, regulations and other laws pertaining to the management and control of it he contended that those words were surplusage, for in his view it would be under the Penitentiary Act. That is not so. As I pointed out to the committee in reply to a question by an hon. member, this section is being introduced to carry into effect the provisions of section 16 of this memorandum which states that for the time being it is understood that Newfoundland will continue to operate its own penitentiary.

The point here is that this penitentiary is continuing under the management of Newfoundland and is not coming under the Penitentiary Act. As I indicated before, this section starts out with these words:

> Notwithstanding anything in the Penitentiary Act—

Since it is not to be under the provisions of the Penitentiary Act it has to be left under the statutes, rules, regulations and other laws now pertaining to its management. Otherwise it would be under no rules at all. Therefore these words are not surplusage.

Mr. Fournier (Hull): I would move the amendments suggested by the Minister of Justice.

Amendments agreed to.

Section as amended agreed to.

On section 13—*Maritime Freight Rates Act.*

Mr. Isnor: Would the Minister of Justice be good enough to advise if the Canadian National Railways are to take over the coastal services?

Mr. Chevrier: No.

Section agreed to.

Bill reported, read the third time and passed.

BUSINESS OF THE HOUSE

Mr. St. Laurent moved the adjournment of the house.

Mr. Knowles: Can we have the business for tomorrow?

Mr. St. Laurent: Unless objection is taken by hon. members desiring to revert to the debate on the address, it would be the intention to proceed with the resolution concerning emergency regulations, No. 6 on the order paper of today, and if that is disposed of to continue the debate on the resolution of the Minister of Agriculture, No. 4 on today's order paper.

Mr. Knowles: As far as this group is concerned, as indicated earlier today there is no objection to that procedure. I merely rise to make that statement now with the thought that others might do the same in order that we may know definitely what will be the business tomorrow.

Mr. St. Laurent: My understanding from the whips was that there would have been no objection to going on today with Nos. 6 and 4 on the order paper if earlier in the day we had disposed of the bill with which we have just concluded. I assume there will be no objection tomorrow, that we will be able to proceed with No. 6 and, having disposed of that, to revert to a continuation of the debate on No. 4.

Mr. Knowles: Agreed.

Motion agreed to and the house adjourned at 11.05 p.m.

HOUSE OF COMMONS

Friday, February 18, 1949

The house met at three o'clock.

THE ROYAL ASSENT

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

Ottawa, February 18, 1949

Sir:

I have the honour to inform you that the Right Hon. Thibaudeau Rinfret, Chief Justice of Canada, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 18th February, at 5.45 p.m., for the purpose of giving the royal assent to a certain bill.

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

PRIVILEGE

REMARKS OF MEMBER FOR VANCOUVER CENTRE, REFERRED TO ON JANUARY 27—STATEMENT OF MR. YOUNG

Mr. Rodney Young (Vancouver Centre): Mr. Speaker, I rise on a question of privilege. On January 27 the attention of this house was drawn to a reference made by me outside the house on July 25 last. Shortly before coming into the chamber on that day I informed the leader of the C.C.F. that I expected that the matter would be brought up, and told him of my intention to withdraw the language about which the complaint was made. Unfortunately the atmosphere which developed led me to believe that my withdrawal would be misunderstood by this house. I do now make this withdrawal, and I ask hon. members to believe that no one is more desirous than I am of maintaining respect for parliament and its members, as well as for parliamentary procedure.

Some hon. Members: Hear, hear.

Mr. James Sinclair (Vancouver North): Mr. Speaker, this apology and retraction is quite satisfactory to the hon. member for Vancouver-Burrard (Mr. Merritt) and myself. Obviously it has been so received by the house. For this reason the hon. member for Vancouver-Burrard and I will not proceed with our motion as indicated.

WHEAT BOARD

CHANGES IN PERSONNEL OF ADVISORY COMMITTEE

Right Hon. C. D. Howe (Minister of Trade and Commerce): I should like to advise the house of changes in the personnel of the advisory committee of the Canadian wheat board.

It is a matter of regret to the government and to myself personally that Mr. C. Gordon Smith and Mr. D. A. Campbell have found it necessary to resign from the committee. Mr. Smith has resigned for business reasons, and Mr. Campbell's health is such that he cannot continue to serve. I should like to take this opportunity of expressing the government's appreciation of the services rendered by both Mr. Smith and Mr. Campbell.

Mr. Smith served with distinction as assistant chief commissioner of the board during the difficult wartime years from 1939 to 1944, and has been a member of the advisory committee since 1946. Mr. Campbell has represented the milling industry on the advisory committee since 1940, and for a period of over eight years has given conscientious service to the committee.

Mr. D. I. Walker has been appointed to the committee to succeed Mr. Campbell as the representative of the milling industry. Mr. Walker has had long experience in the milling industry in Canada, and I am pleased that he has consented to act on the committee.

Mr. J. C. A. Nijdam has been appointed to succeed Mr. Smith, and will represent the export trade on the advisory committee. For many years Mr. Nijdam has been active in the export trade in Canadian grain, and his experience will be of great value.

DOMINION ELECTIONS ACT

AMENDMENT TO REDUCE THE ELIGIBLE AGE OF VOTERS FROM 21 TO 18

Mr. H. R. Argue (Wood Mountain) moved for leave to introduce Bill No. 27, to amend the Dominions Elections Act, 1938 (age of voters).

Some hon. Members: Explain.

Mr. Argue: The purpose of this bill is simple. It is to amend the Dominion Elections Act, 1938, to provide that the

eligible age of voters shall be reduced from twenty-one years to eighteen years.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 25, respecting the Globe Printing Company.—Mr. Graydon.

Bill No. 26, respecting Chartered Trust and Executor Company.—Mr. Jackman.

TRANS-CANADA AIR LINES

PRESS ANNOUNCEMENT OF REMOVAL OF PERSONNEL FROM WINNIPEG TO MONTREAL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I wish to direct a question to the Minister of Trade and Commerce. Has his attention been called to an announcement in the press this morning, made by Mr. G. R. McGregor, president of Trans-Canada Air Lines, concerning the removal of another 155 T.C.A. personnel from Winnipeg to Montreal? In view of the fact that last summer the minister gave me an assurance by letter that movements of this kind would not take place, can he make a statement about the matter on the floor of the house?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have not seen the item in question. I am aware that Mr. McGregor intended to give to the public a full explanation with regard to the plans of the company. My hon. friend speaks of another transfer. His question obviously refers to the same transfer he asked about on a former occasion during this session of parliament. I have nothing to add to Mr. McGregor's announcement.

PRIZE MONEY

DISTRIBUTION BETWEEN NAVY AND AIR FORCE

On the orders of the day:

Mr. J. G. L. Langlois (Gaspé): In view of the representations which I have received with regard to prize money, and which I have brought to the attention of the Minister of National Defence, will the minister elaborate on the statement he made in this house on February 4 in answer to a question asked by the hon. member for Kamloops (Mr. Fulton)?

Hon. Brooke Claxton (Minister of National Defence): This matter has been brought to my attention by the hon. member for Gaspé, the hon. member for Comox-Alberni (Mr. Gibson), the hon. member for Kamloops, and several others. In view of the widespread interest in the question, with the leave of the house I should like to make a statement on it, supplementing the previous statements in the press and to this house.

Prize money is the term used for the old naval custom whereby the officers and men of the Royal Navy and privateers had their pay supplemented by grants out of the money received from the sale of captured enemy merchant ships. Part of this money was kept in the exchequer, and part was paid by the crown to the crews directly concerned. It should be emphasized that no one had a right to payment, but that payment was made as an act of grace. Formerly this was done by the king himself under the royal prerogative.

In modern war it has become increasingly difficult and increasingly unfair to allocate prize money to individual officers and men taking part in the capture of the prize. Consequently in the first great war officers and men of the Royal Navy shared according to to their rank and the amount of time they had spent at sea. Personnel of the Royal Canadian Navy shared in this allocation made by the British parliament as if they had been members of the Royal Navy. The scale operated so that an admiral, commander in chief, got 283 times as much as an ordinary seaman.

In the second world war it had become still more difficult to apportion prizes because of the part played in each capture by large numbers of ships and planes, frequently including ships and personnel of several different nations. An agreement was therefore made under which the countries of the commonwealth would share in the proceeds of the prizes taken in proportion to the peak strength each of them had had in the navies and air forces engaged on naval operations.

There is no law or custom under which any individual has any right to any part of this money.

In the United Kingdom it has been decided that one-third of the United Kingdom's share would be kept by the crown and that the remaining two-thirds would be divided between the Royal Navy and Royal Air Force in proportion to the peak strength of these two services engaged on naval operations. The navy's share will be paid to the officers and men having more than six months' service at sea on a graduated scale, which provides for the payment of ten times as much to senior officers as to men. It was decided, however, that the air force share should be paid to the Royal Air Force charitable and welfare societies caring for present and past members of the service.

In Canada the government proposes not to take one-third off but to divide the whole

Canadian share in proportion to the numbers engaged on naval operations, which works out at sixty-eight per cent for the navy and thirty-two per cent for the air force.

In considering how the navy's share would be divided, the whole position was thoroughly reviewed. Obviously, on the British scales which are predicated on responsibility, officers, particularly senior officers, would benefit substantially, as their shares would run into considerable sums; but in the case of men, the share would be about $10 each if paid to all the sailors who had been on sea operations for six months or more. A distribution on this basis would, it was considered after careful examination, be very much less desired by naval personnel themselves than to have the money used by their own representatives to meet needy cases. This was particularly desirable in view of the fact that the system of disposing of canteen profits in the navy resulted in the Royal Canadian Navy benevolent trust fund receiving less funds in proportion than those made available to the other services. Moreover, the fund is being expended at a rate which will speedily exhaust it. Accordingly, both the navy's share and the air force's share will be paid into the trust funds for the benefit of veterans and members of these services. In other words, a distribution to individual personnel would involve a gain of small consequence to those who might be eligible, but by the method proposed the scope of assistance to those who are in genuine distress will be materially greater.

It was felt that the great majority of veterans and active force personnel concerned would want the money to be used to help former comrades and their families who are in need.

VETERANS AFFAIRS

INQUIRY AS TO PAYMENTS UNDER WAR VETERANS ALLOWANCE ACT

On the orders of the day:

Mr. D. S. Harkness (Calgary East): I should like to direct a question to the Minister of Veterans Affairs. Has the government given consideration to the brief of the Canadian Legion asking for payment under the War Veterans Allowance Act of $50 a month to single men and $85 a month to married men? If so, what action has been decided upon?

Hon. Milton F. Gregg (Minister of Veterans Affairs): Yes, the government has given consideration to the matter, and the results of the consideration will be announced in due course.

Mr. Harkness: When will that announcement be made?

Inquiries of the Ministry

MARSHLANDS

BAY OF FUNDY AREA—PROGRAM FOR CURRENT YEAR

On the orders of the day:

Mr. P. C. Black (Cumberland): I should like to direct a question to the Minister of Agriculture. When may we expect a statement as to the program which will be carried out this year with respect to the five-year program of reclaiming the marshlands of the bay of Fundy area?

Right Hon. J. G. Gardiner (Minister of Agriculture): As the hon. member knows, legislation was passed at the last session of parliament which provided for a five-year program, the costs of which are to be split three ways, among the federal government, the provincial governments, and the farmers concerned. Negotiations in connection with the program are under way, and when we are on the estimates of my department which are concerned with special expenditure I expect to be able to give full details with regard to any action which will be taken this year.

Mr. Black (Cumberland): May I ask the minister when we may expect a statement from him, and when his estimates will be brought down? A great many people are interested in the government's policy in this respect, and sometimes the estimates do not come down before two or three months from now.

Mr. Gardiner: The committee had a meeting this week. Our officials have been down in the maritimes, and I think the matter has been fully discussed with the people concerned. I do not think there is any doubt that they will be kept fully informed as the discussions continue. So far as hon. members are concerned, they will get full information when the estimates are before the house.

HOUSE OF COMMONS

INQUIRY AS TO TABLING OF MAIN ESTIMATES

On the orders of the day:

Mr. Gordon Graydon (Peel): I should like to ask the Prime Minister when we may expect the estimates of the coming fiscal year to be tabled in the house.

Right Hon. L. S. St. Laurent (Prime Minister): It is my understanding that it is not the practice to table the estimates until the address in reply to the speech from the throne has been disposed of. As soon as that is done the estimates will be ready for tabling. If there is any unexpected delay in concluding the debate on the address, I

hope arrangements may be made to have the usual practice departed from and the estimates brought down at an earlier date.

Mr. Graydon: May I direct a supplementary question to the Minister of Public Works? May I ask him to make sure that when the estimates are brought down, the urgent need for permanent development of Port Credit harbour be not overlooked?

HOURS OF SITTINGS

On the orders of the day:

Mr. W. Garfield Case (Grey North): I should like to ask the Prime Minister whether the government is likely to give favourable consideration to changing the hours of sitting of the house so that we may sit from two to six and eight to ten p.m.

Right Hon. L. S. St. Laurent (Prime Minister): That is not a matter for the government to decide. It is one which would be decided by the members of the house themselves.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question to that asked by the hon. member for Grey North? Will the Prime Minister consider calling together informally the members of the committee which dealt with the rules last year, to see whether we can make some progress in connection with some of the changes which have been suggested?

Mr. St. Laurent: I shall be glad to hear the views of any members of the house as to what might be done to accommodate the greatest number of members in respect of the hours of sitting.

INQUIRY WITH RESPECT TO TAPPING OF TELEPHONES

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to direct a question to the Minister of Justice. Has the minister received protests from any member of parliament or of the press gallery about the telephones being tapped?

Hon. Stuart S. Garson (Minister of Justice): No.

VACANCY IN CONSTITUENCY OF WETASKIWIN

On the orders of the day:

Mr. Solon E. Low (Peace River): I should like to ask the Prime Minister whether it is the intention of the government to call an early by-election in Wetaskiwin in order that the people there may have representation in this house.

[Mr. St. Laurent.]

Right Hon. L. S. St. Laurent (Prime Minister): It is my impression that the formalities required by law to bring officially to your notice, Mr. Speaker, the fact that there is a vacancy in Wetaskiwin have not yet been fulfilled. I can assure the hon. member that as soon as they have been complied with the government will proceed in the manner provided by the statute.

Mr. Graydon: Does that mean a by-election?

Mr. St. Laurent: My hon. friend can read the statute.

Mr. Graydon: It does mean there will be a by-election sometime?

Mr. St. Laurent: It does mean that there will be a by-election in the manner and at the time prescribed by the legislation passed by this parliament.

Mr. Graydon: That means a delay.

PARLIAMENT HILL

REFERENCE TO LIGHTING AT EASTERLY APPROACH

On the orders of the day:

Mr. F. E. Lennard (Wentworth): I should like to ask a question of the Minister of Public Works. Has his attention been drawn to the fact that although the lights are now on again in Ontario, there is still a blackout on parliament hill? On the most easterly approach to the parliament buildings the lights have been gradually fading, until last night there was a complete blackout. I would urge that the minister remedy this as soon as possible.

Mr. Graydon: They have been out ever since Nicolet-Yamaska.

Hon. Alphonse Fournier (Minister of Public Works): May I thank the hon. member for calling my attention to this matter. In his question he mentioned the lights at the most easterly approach to the parliament buildings, and pointed out that they have been gradually fading. I would remind him that the easterly side of the building is the opposite to this one, and I can assure hon. members that the government will do its utmost to enlighten that side of the house.

SMOKE FROM PUBLIC BUILDINGS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): Referring again to blackouts, I should like to ask a question of the Minister of Public Works. For some mornings now there has been a blackout in this district because of the smoke issuing from public buildings and

clouding the sky. Is the minister providing smoke abatement appliances for public buildings?

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, I have noticed the condition to which the hon. member refers. I can say that the department is doing its utmost to relieve it. We are trying to find means to make the smoke disappear as soon as possible.

PRICES AND TRADE BOARD

DECISION OF ONTARIO SUPREME COURT IN MCGINN CASE

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Justice. It has to do with the debate which will come up today in reference to emergency powers. Several days ago the supreme court of Ontario declared ultra vires a section of the wartime prices and trade board regulations dealing with the matter of fair prices. What were the reasons for the declaration of the court and the judgment that was rendered? Does the department intend immediately to appeal this judgment in order to make sure that this legislation will be carried into effect?

Hon. Stuart S. Garson (Minister of Justice): My hon. friend did not give me notice of this question. I shall be glad to bring down an answer in due course.

Mr. Diefenbaker: It is five days since the minister was first asked the question.

Mr. H. W. Timmins (Parkdale): I should like to repeat the question I asked the Minister of Finance four or five days ago. Has he given consideration to the decision in the McGinn case? If so, what is the result of that consideration?

Hon. Douglas Abbott (Minister of Finance): I apologize to my hon. friend for not having answered his question before. The reason is that the chairman of the wartime prices and trade board returned from Newfoundland only yesterday. I have sent a note out to ask whether he has yet received advice from the legal advisers of the board as to what action should be taken concerning the decision referred to. Hon. members will recall that it relates to what has been referred to as the just and reasonable clause in section 8 of the wartime prices and trade board regulations. When we reach the bill which is based upon the resolution to be considered this afternoon hon. members will see that it contains a provision that in the continuation of these powers no prosecutions will be taken under that section. The reason is, as I indicated to the house the other day when the resolution was first introduced, that price ceilings will apply only to articles on which there are now specific ceilings. I shall give my hon. friend an answer later this afternoon.

On the orders of the day:

Mr. A. L. Smith (Calgary West): Mr. Speaker, my question will be brief—and it may have to do with a blackout. Has the government yet received a copy of the judgment in the McGinn case? If so, will it be made available so that we may look at it?

Hon. Douglas Abbott (Minister of Finance): I have received a note indicating that a copy of the judgment was received only yesterday. Mr. Spence, counsel of the board, is now considering it, and I hope I may be able to make a statement with respect to it some time early next week.

Mr. Smith (Calgary West): Could the minister have a copy made?

Mr. Abbott: I shall lend the hon. member my copy.

SEED GRAIN

FLOOR PRICE UNDER FLAX, RAPE AND SUNFLOWER SEED FOR 1949

On the orders of the day:

Mr. P. E. Wright (Melfort): I should like to direct a question to the Minister of Trade and Commerce. Can the minister now, or at an early date, indicate to the house and to the country whether it is the intention of the government to establish a floor price under flax, rape and sunflower seed for 1949, and what that floor price will be? Most farmers want to make arrangements now for their seed grain, and I think some indication of the government's intention with respect to the matter should be given.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Consideration is being given to the matters referred to by my hon. friend, and a statement will be made in due course.

RAILWAYS

PAINTING OF DIESEL TRAINS IN BRIGHT COLOURS TO ASSIST IN AVOIDING ACCIDENTS

On the orders of the day:

Mr. J. H. Blackmore (Lethbridge): I should like to direct a question to the Minister of Transport, of which I have not yet given him notice. In view of the increasing use of fast-moving diesel trains on our railroads, will the minister consider the advisability of providing that such trains be painted in some bright colour, such as yellow, to help highway travellers to see such diesel trains sooner and thus avoid fatal accidents?

Inquiries of the Ministry

Mr. Knowles: Did the minister give the hon. member notice that he was not going to be here?

WHEAT BOARD ACT

AMENDMENTS OF SESSION OF 1947-48—QUESTION OF NECESSITY FOR PROVINCIAL LEGISLATION

On the orders of the day:

Mr. T. J. Bentley (Swift Current): I should like to direct a question to the Minister of Justice. Will the minister give a reply to my question of February 16 with reference to the request of Mr. Garson, premier of Manitoba?

Hon. Stuart S. Garson (Minister of Justice): I have not received any notice of this question. I shall have to look up the record to see what the premier of Manitoba asked for.

Mr. Bentley: The minister promised to do that the other day. Forty-eight hours have elapsed since that promise was made.

ASSINIBOINE RIVER VALLEY

WORK UNDER P.F.R.A.—QUESTION AS TO POSSIBLE DAMAGE BY FLOODING

On the orders of the day:

Mr. C. C. Miller (Portage la Prairie): I should like to direct a question to the Minister of Agriculture, of which I have not sent him notice. Will the minister tell us what, if anything, has been done during the last twelve months to have a survey or investigation of the Assiniboine river basin made by engineers of the Prairie Farm Rehabilitation Act or by his department with a view to taking such steps as may be necessary to remove, as far as possible, flood damage by an overall scheme?

Right Hon. J. G. Gardiner (Minister of Agriculture): The work of investigation has been going on at the Assiniboine river valley for some years, and much of the detailed work has been carried out as far down the river as the city of Brandon. Much work was done last year in the way of putting in safeguards around Brandon, and I am sure that some investigation has been carried on further down. I am not certain that all the work will be carried out this year.

HOUSING

PROJECT IN ALBERTA—FORECLOSURES

On the orders of the day:

Mr. C. E. Johnston (Bow River): Mr. Speaker, I should like to ask a question of the Minister of Reconstruction and Supply (Mr. Winters) or, in his absence, the minister who is taking care of the department. In view of the foreclosure proceedings by the Manufacturers Life Insurance Company of Calgary, Alberta, against home owners who have houses under construction by the Bow River Construction Company, will the government see to it that these veterans, and some civilians, will not lose their financial equity in their property as a result of these foreclosures?

Right Hon. C. D. Howe (Minister of Trade and Commerce): In the absence of the Minister of Reconstruction and Supply, I suggest that the question be put on the order paper.

INCOME TAX

CANADIANS IN THE UNITED STATES—ASSISTANCE IN MAKING OUT RETURNS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, I should like to ask a question of the Minister of National Revenue. Press reports indicate that the United States has detailed one of its agents at the embassy in Ottawa to help United States citizens with their income returns. Has the minister's department done the same thing in the United States?

Mr. Cruickshank: I wish they would help me to pay mine.

Hon. J. J. McCann (Minister of National Revenue): We have never had any request for such an officer.

THE PRIME MINISTER

VISIT TO TORONTO ON FEBRUARY 19

On the orders of the day:

Mr. T. L. Church (Broadview): Mr. Speaker, I understand that the Prime Minister (Mr. St. Laurent) is to visit Toronto tomorrow to turn over Christie Street hospital to the city. He will be the guest of the mayor and the corporation of that city at a civic luncheon to be held at the Royal York hotel at 12.30 in the afternoon. I can assure the Prime Minister of a cordial welcome in Toronto, where he is well liked on account of his many fine personal qualities. He opened our winter fair. I understand he is to tour the city. For three parliaments I was the federal member for the district in which that hospital is situated. I regret I cannot return for the reception, but I assure the Prime Minister that it is the desire of every member from Toronto that he receive from all the people of that city a most enthusiastic welcome.

TRANSITIONAL MEASURES ACT, 1947

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Monday, February 7, consideration of the motion of Mr. Garson that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war.

Mr. Solon E. Low (Peace River): Mr. Speaker, I sincerely hope that the contents of this resolution for the continuation of certain orders and regulations of the governor in council does not constitute the whole of the program the government intends to bring in at this session in connection with the very serious matter of prices and distribution facing the country today.

The people of Canada are expecting effective government action at this session relative to the present unprecedented high cost of living. The rank and file of the Canadian people are not asking for more controls; but they are asking for relief from the burden of high living costs. People generally are waking up to the fact that the government itself is perhaps the chief culprit in this whole matter of extremely high prices. I claim the government has contributed very largely to the making of any emergency which does exist at the present time, four years after the close of the war.

For example, the people of Canada are aware that the Liberal government last year overtaxed them by at least $600 million in hidden and indirect taxes alone, which taxes were added to the price the consumers had to pay for the things they have to buy from day to day. Perhaps the most vicious of all these hidden taxes is the sales tax.

I was much interested in the excellent speech delivered in the debate on the address in reply to the speech from the throne by the hon. member for Beauce (Mr. Dionne), an experienced manufacturer. In his speech he illustrated the bad effects of the government's eight per cent sales tax, and showed clearly that this tax, applied at the manufacturer's level to, for instance, $100 worth of cotton goods—I believe he mentioned shirting—often pyramids to $30, or 30 per cent of the manufacturer's price by the time the goods reach the consumer.

We need only look around us and do a little investigating to find that on most articles we have to buy from day to day government taxes constitute up to as high as 74 or 76 per cent of the consumer price. I need not go into details, because I am sure all hon. members have run into examples of the same thing.

This raises what I consider is a serious point for consideration, a point about which I have complained in this house on a number of occasions and about which I intend to complain now. During the last half century governments have moved in to prevent the people from realizing the benefits that should have accrued to them from technological improvements in machines and processes and manufacturing. As everyone who has studied the situation knows, through the use of machines things can be made today faster, cheaper and better than ever before.

But I ask this question: Can we buy them more cheaply than ever before? Certainly not. In the last fifty years improvements in machines have greatly reduced the real cost of production, but the benefits from the use of those machines have not been passed on to the consumer. Goods that are totally produced by machine today cost five or six times what they did in the day when they were totally made by the hand of man. The major reason for this is the fact that as savings have been effected by the improvement in processing and machines, governments have stepped in and have imposed scores of different kinds of hidden taxes at different levels of manufacture and production. As a result we have today sales taxes, processing taxes, turnover taxes, excise taxes of a dozen different varieties, and customs duties. All these things pyramid the costs of things to consumers.

Is it any wonder that under the circumstances the cost of living to the Canadian people is high? The people of Canada have a just right to complain about this high-handed and I would say tyrannous way in which the government has arrogated to itself, not only all the savings that have been effected in the cost of production through the use of machines but many more times these savings as well.

I have stated on a number of occasions and I repeat today my firm belief that the government is the main culprit in the high cost of living situation. However, I should like to point out that they are not alone responsible. Many Canadian industries have proceeded to price themselves out of future markets. Many of them have taken advantage of scarcities to charge all that the traffic will bear. That practice is reprehensible and I think the industries that have been guilty of it will in time come to see that it is not to their advantage let alone to the advantage of the Canadian people so to do.

I should like to point out another factor in this high cost of living situation that is rarely if ever considered. The C.C.F.-C.C.L. hook-up must shoulder a considerable share of the blame for the condition under which many Canadians actually suffer because their incomes are inadequate to enable them to pay the high prices for the things they need. The C.C.L. unions have been badly led and badly advised in their blind and determined drive for high wages. They have constantly refused to face facts, particularly the fact that when wages and salaries rise, costs also rise. That is inevitable. It is not just the amount of money that they get with which labour should be concerned; they should be concerned about the purchasing power that is available to them.

Mr. Irvine: Is it not true that wages were the last to rise? Is it not true that the cost of living rose so high that the unions had to ask for more wages?

Mr. Low: I shall have to answer part of that "yes" and part of it "no". To the latter part I would have to say, "Definitely no." I say that for various reasons. As I said, it is the total of the purchasing power available to labour that measures its prosperity or the lack of it, and not the monetary return they receive. I say that, had the C.C.L. unions—this is in answer to my good friend, the hon. member for Cariboo (Mr. Irvine)—been better advised and led, their first efforts would have been directed toward holding the price line by a means that would not have discouraged the incentive for all-out production; that would not have imposed an unbearable burden of taxes upon the people.

That could have been done by insisting that whatever increases were won to supplement salary or wage incomes should not be first passed through the channels of industry in the form of salary or wage increases that enter and inflate costs. They were encouraged by the C.C.F. to believe that they should strike for higher wages and that the government would be driven to reimpose over-all price controls without wage controls, thus making all wage increases a net gain to labour. What has been the result? Organized labour did go out after higher wages, but the government did not impose over-all price control. Indeed they claimed that they could not do so in peacetime without imposing wage ceilings at the same time. The result was that production costs went up in an alarming fashion and of course consumer prices spiraled to new heights.

Once more we have had in this country a demonstration of the cat going around and around in an effort to catch its own tail. I notice that the C.C.F. has not been so urgent of late in their demands for control.

Mr. Probe: Give us a chance.

Mr. Low: We will give you a chance. Nor have we heard so much about planned economy this session as we did in other sessions. In fact I have noted quite a significant change in this respect. In his contribution to the throne debate the leader of the C.C.F. (Mr. Coldwell) spoke of planned objectives, but not once did he say a word about planned economy.

Mr. Coldwell: You cannot include everything in one speech.

Mr. Low: I realize that and the hon. member will have a chance. We used to hear a great deal from the C.C.F. about the superior economy which has been established in socialist Britain. I had the privilege of visiting Britain last autumn and was able to see something of the socialist planned economy and the results of the over-all government controls which have been imposed in that country. I certainly came away from Britain much more impressed with the far-reaching results of bureaucratic control than I was with any good that has been accomplished through them. Let me point out a few examples. These are only a few and I do not mean to be unfair to Britain when I mention them.

When we first got to Britain we found that according to a government order there was a ceiling of five shillings on meals in restaurants. However, we found that after we had ordered our meal and had eaten it, such as it was, they imposed a cover charge, a surcharge, a supercharge and a house charge in addition to the fairly substantial tip that we were expected to give.

Mr. Bryce: What kind of a dump were you in?

Mr. Low: I will have something to say about that pretty soon.

Mr. Irvine: You are speaking about the Savoy.

Mr. Low: I will have something to say about that, too. These charges usually brought the price of the three-course meal up to a grand total of twice the ceiling price, or an amount which would compare with what we would have to pay for a very good meal of four or five courses at the Chateau Laurier. I went into a small place which possibly the hon. member for Selkirk (Mr. Bryce) might call a joint. I do not know, but I tried to eat in various places. I noticed when I went into small luncheon places that a snack of fish and chips, a dark flour roll, and a cup of

tea would cost about what the price of a good lunch would be at the Cavendish restaurant in the city of Ottawa.

Mr. Thatcher: That was caused by the war, not by the Labour government.

Mr. Low: Then what about milk in this planned economy? So much has been said about the wonderful things they are doing about milk, and I acknowledge they have done some good things. I understand that today the children are getting more milk than many of them have ever had in their lives. I think that is quite true, but the older people, of course, are rationed very severely, and receive just a modicum in a week. This is the thing that I wish to point out. I found by staying with a family in the country for a little while that families could get an extra supply of milk if they dug down and put up a fairly substantial tip to the milkman, provided they could afford the tip. I am only pointing out to you—

Mr. Coldwell: What kind of family were you visiting, black marketers?

Mr. Low: No, I was visiting a nephew of mine in West-Cliffe on Sea. I found that ordinary workingmen with families knew that it was a common practice, and that they could get more milk if they dug down for a penny, a shilling, or more.

Mr. Coldwell: My relatives are not black marketers.

Mr. Low: This was not black marketing. It was the regular thing.

Mr. Coldwell: The buyer is just as bad as the seller.

Mr. Low: I do not know, but everybody is doing it.

Mr. Coldwell: No, they are not.

Mr. Sinclair: Even Belcher.

Mr. Thatcher: It is not the fault of the Labour government.

Mr. Low: It is the fault of controls. Meat is very scarce in that country, and they are having a difficult time. Consumers can buy the occasional joint at a subsidized price that is quite reasonable. I noted, for example, that they could buy certain Canadian beef at from 36 cents to 40 cents a pound, and we could not buy it for that amount by any means. Taxes, of course, have to be high for all of the people to take care of the subsidy. The amount of meat they can buy is wholly inadequate. Therefore they turn to other things, fish, fowl and sausage. The sausage is wonderful, Mr. Speaker. I must say a word about the sausage.

Mr. Sinclair: Oatmeal.

Mr. Low: It was something in casings that tasted very much like a mixture of oatmeal and sawdust, although I am quite sure it was not sawdust.

An hon. Member: Haggis.

Mr. Low: I have tasted haggis that was worse.

Mr. Deputy Speaker: Order.

Mr. Low: But the price which they had to pay for the substitute for the real thing, this phony sausage, was away out of proportion to the value of the contents. That is just an example of the situation that one gets into in a controlled economy. In order to supplement their meat supply under the subsidized plan people would turn to fowl, but I noticed that an ordinary roasting chicken cost around $4. What chance would they have under such circumstances? Taking it all in all, I should like to say that, according to my observation, British bureaucracy is experiencing real difficulty in the enforcement of the controls which they have.

I observed also that when the general run of the British people got through providing themselves with the bare necessities of what I thought was a rather lacklustre and monotonous living, they had nothing left to put away for a rainy day. In that respect they are hardly any different from the general run of the Canadian people except that we in this country are much more fortunate in the variety and the quality of the things we buy.

Mr. Thatcher: That is not because the government is better.

Mr. Low: I was not saying that the government was better. I am telling you what the situation was as I found it there, and it cannot be denied.

Mr. Irvine: Oh, yes, it can. Don't ever get away with that idea.

Mr. Low: I think there is no doubt that in Great Britain all-out efforts to produce have been discouraged by the bureaucratic controls employed by the socialist government. Regimentation has been the poison that has killed the spirit of every nation down through history. It has killed the spirit of every nation which has imposed regimentation and bureaucratic control. I am convinced that regimentation and bureaucratic control will destroy Great Britain if the people suffer them to remain a major part of their economic life for very long.

The point I wish to emphasize is that there is nothing in the socialist British system of a controlled economy that commends itself for introduction in Canada. On the other

hand, no one can deny that some worthwhile things have been done towards ensuring social justice to a good many people of that country. Any honest person must make that admission.

Mr. Thatcher: Who won the by-election yesterday?

Mr. Low: There again I cannot tell who won the by-election.

Mr. Thatcher: The Labour government did.

Mr. Low: That has nothing whatever to do with it. The improvements, which they have made in social security for many of their people, have been things which could have been done just as well in other ways without involving bureaucratic control and regimentation. For their particular emergency, and there is no question that they have been in a state of emergency, doubtless some controls have been necessary; but in England and Scotland I met many well-informed people who believe that the final objective of the socialist intellectuals, who are now in control of the policy of the Labour government, is the complete sovietization of the people.

Some hon. Members: Oh, oh.

Mr. Coldwell: That is absolute rot, undiluted rot.

Mr. Low: I repeat that in my journey through England and Scotland I met a good many people who sincerely and earnestly said they believe that the policy being advocated by the intellectual socialists who are in control of the policy of the Labour government is the final sovietization of the people of Great Britain.

An hon. Member: Spoken like a fascist.

Mr. Low: More of my hon. friend's polished remarks. Fortunately, Mr. Speaker, what I have just stated does not seem to be the desire of the bona fide trade unionists who have come up through the ranks of apprentice and journeyman, and into the master class. I spoke to a good many of them, and it appears to me that there is a growing and serious divergence of views between the two divisions of government supporters, the intellectual socialist who thinks he has an itch to control everybody's business, and the true trade unionist who is an honourable fellow who came up through the ranks in an honourable way.

An hon. Member: Where do you stand?

Mr. Knowles: I am laughing, too.

Mr. Low: I have not heard the C.C.F. talking about controls very much or very ardently during this session.

Mr. Coldwell: Give us time. Two weeks on Newfoundland.

Mr. Low: Perhaps in the course of the years they have been giving some second thoughts—

Mr. Knowles: Tell us something about free money.

Mr. Low: —to this subject, just as one of their brain-trusters has done. I refer to Professor Frank W. Underhill, the distinguished Canadian socialist philosopher and co-author of the book "Social Planning for Canada", which our friends have been putting before the public for some years.

In an article written for the *Canadian Forum* of August, 1947, Professor Underhill had this to say:

> —and when socialists keep on harping about controls as the essence of their policy, they lend plausibility to the charges that they are really frustrated bureaucrats with an itch to manage other people's business for them.

At another point in the same article, he says:

> Still, the socialists should ease up on their persistent talk about controls. What the world needs chiefly at present is enterprise and imagination, initiative and vision. The defenders of capitalism are quite right in maintaining that these qualities were given full scope in the capitalism of the past and that this was the reason for the great material progress of recent generations. We still need enterprise.

Those are the words of the brain-truster of the socialist party of this country.

Mr. Coldwell: Read the next paragraph.

Mr. Low: It is evident that he has done a good deal of thinking since the time he wrote the book "Social Planning for Canada" or helped with the writing of it.

Today, the government is asking for an extension of certain control orders and regulations that were imposed by order in council during a real war emergency. It is not possible, sir, to get a full picture of the government's request from consideration of this one resolution, No. 5 on the order paper. To get a complete picture it is necessary to consider, along with resolution No. 5, the resolution on foreign exchange; the resolution on the Agricultural Products Act; the resolution on the export and import of fish and fish containers; and resolution No. 6 in connection with the Canadian Commercial Corporation Act.

If the powers requested in these resolutions are granted, the government will then have control over foreign exchange, agricultural products, rentals and price ceilings on flour, bread, butter, citrus fruits, imported canned citrus fruit juices, certain imported fresh vegetables, onions, certain fresh fruits,

molasses and sugar. In addition to that, there will be steel control, timber control and price control of certain steel products. This represents a sizeable centralization of power under present-day conditions.

When these various resolutions are before the house, I take it the minister concerned will make a statement to justify the request contained in those resolutions. There should be justification, particularly, of the continuation of control by the procedure which is being followed, namely, by resolution and continuing orders in council, rather than by specific acts of this parliament.

In conclusion, Mr. Speaker, I say that the people of this country are going to be bitterly disappointed if the government fails to supplement these orders, which are now in the form of resolutions, by positive action aimed at reducing the cost of living. I declare there is no better place to start than in their own taxation structure, especially the iniquitous sales tax. This tax is not an economic necessity. It is an instrument of policy which pushes up the cost of living by fully 20 per cent. At the polls, sir, the people of Canada are going to show their extreme displeasure if this tax and a number of other nuisance taxes are not abolished. If at this session this government does not make a substantial effort to bring down the cost of living to a reasonable level by eliminating the sales tax and using the modest subsidies which we have proposed from time to time on selected items used from day to day by families, which subsidies could be paid for not out of taxation but with interest-free money, then the people of the country will be disappointed. With a single stroke the government can cure the major cause of the high cost of living. The people of this country are demanding action along the lines I have suggested, Mr. Speaker.

Mr. H. W. Timmins (Parkdale): The resolution before the house this afternoon, Mr. Speaker, reads as follows:

> Resolved, that it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war.

In 1947 we had before us the first one of these orders for continuing the emergency powers that had been granted the government during the war. At that particular time, I believe there were some fifty-seven of them and the Minister of Justice of the day told us each one of these controls contained a principle. It is the principle contained in these control measures of which I wish to speak this afternoon.

A similar debate dealing with the continuation of controls was held in 1948. Last week, on the 7th of February, the Minister of Finance (Mr. Abbott) and the Minister of Trade and Commerce (Mr. Howe) gave us some indication of the controls it was proposed to continue. We have not been told whether it is proposed to continue them for one year or two years. At that time, in dealing with one of the controls, steel control, the Minister of Trade and Commerce said, as reported at page 317 of *Hansard:*

> We have been importing roughly 30 per cent of all the steel that is used, and those imports have been obtained with a great deal of difficulty.

For a few moments, Mr. Speaker, I propose to deal with the matter of steel control. I am quite prepared to admit that what the minister says is true. We have been importing 30 per cent of our steel and he has had a great deal of trouble in obtaining it. As I see it, however, that is his job as Minister of Trade and Commerce, and probably he has done a very good job. In respect of this measure of steel control, we have also the continuing powers of the steel controller, which is quite a different thing, so far as I am concerned. It is about the continuation of those powers that I wish to speak.

Through the press, the steel controller has reported what he considers our position to be in respect to steel in 1949. In the *Globe and Mail* on the 27th of January last, he said:

> Makers of all steel products from cans to cars and bolts to bridges can look for steel supplies to be no better and no worse in 1949 than they were in 1948.

Then he goes on to say:

> Canadian production this year should be up by about 75,000 product tons from last year's 2,300,000, but the import from United States will be down by about 120,000. The difference which makes the outlook "about the same for 1949," will be made up by increased supplies from Belgium, Austria, the United Kingdom, and other European sources.

I suppose we have to depend upon the steel controller for information concerning our position in 1949 and what provision we are going to make for industry to proceed as it should. I suppose he ought to know the situation at first hand. But on the other hand his report is not the only one that appears in the papers. The Canadian Manufacturers Association's special committee on steel met within the last month. They issued a statement to the effect that, as to United States mills, there are positive signs that the pressure for delivery of steel is easing up, and that the prospect is that by the third quarter of 1949 a buyers' market will develop in some steel products. It is this matter of steel that the government is seeking to control in this bill. The quotation continues:

> While there has been no apparent move on the part of the United States or Canadian governments to enlarge the nominal Canadian import quota of

200,000 to 220,000 product tons of steel per quarter, the only actual control exercised over imported steel in Canada has been the rather loose one on structural steel.

That is a report from people who are in the business. It is a report from a committee of steel manufacturers. They tell us that by the third quarter of 1949 steel will be easier. In fact, they go on to say that there is quite a chance that the production and use of steel may be almost on an even footing. Just yesterday another report came from New York through the Associated Press. I should like to quote from it:

Steel people believe that the next sixty days "will answer a lot of questions" as to extent of demand for steel, the "Iron Age" metalworking trade weekly said.

Noting that some American companies are planning capacity operations into June, the publication said: "They don't say June will be the turning point, they simply are unwilling to guess too far ahead."

Going to the second last paragraph of the article, I find it reads as follows:

For the fifth consecutive week, steel production in the United States has been maintained at an annual rate of more than 97 million tons. The first quarter of this year, the publication said, probably will see an all-time record for production of steel.

It continues: "Every week the industry continues this tremendous production pace it moves the market factors of supply and demand nearer to the point of balance. Some people inside and outside the steel industry are beginning to wonder what will happen when that precarious point is reached—possibly during this year."

So I am pointing out to the minister and through him to the steel controller that, as a matter of fact, there are in the industry people who seem to think that during this year we shall reach a point where we shall have not only in the United States but here in Canada sufficient steel for our purposes.

How is this control exercised here in Canada? Last year the Minister of Trade and Commerce (Mr. Howe) told us, when he was dealing with the matter of the import and export bill, that there was no restriction on steel coming through from the United States, that we would take all the steel we could get. I understand, and the minister will correct me if I am wrong, that the practice is for the manufacturing concerns in the United States to ship their steel directly across to those of our Canadian buyers who wish to buy steel from them, and that in that respect there is little or no control; we take all the steel that we can get, with this one exception of structural steel. I believe the Department of Trade and Commerce, under the export and import act, exercises some control over the fabricator of steel and says that this steel may go to such and such a project and that other steel shall go to such and such another project.

Last year when I was speaking on this matter I asked the minister if there would be steel for theatres, and I believe his answer was that there would not be. I also asked him if there would be steel for office buildings, and I remember pointing out one particular office building that was going up. The answer by the minister was that steel would not be allowed for that project. As I pass the building from day to day, however, and see it progressing, I see that it has steel and that it is an office building. If we are to have control in respect of steel in our own country, there should be some formula or some plan so that we might know who may have steel, in what quantities, and for what purposes.

The emergency control order which we saw last year, and which I presume may be presented again in somewhat the same fashion this year, is a fairly all-embracing one, giving wide powers. As it is said—and I believe it to be true—that we are getting to the point where steel in Canada before this year is out will be in sufficient quantity that we can do what our manufacturers and our people want to do, it seems to me that there should be some relief from these controls instead of a further measure of increase of them. Before the debate is over I should like the Minister of Trade and Commerce to reaffirm what he said last year about what was needed and what kind of permit would be given with respect to the delivery of structural steel.

Within the industry itself there are some controls exercised by either the steel controller or the Department of Trade and Commerce—and I was under the impression that it was through the Department of Trade and Commerce—whereby, as the minister said as reported at page 317 of *Hansard:*

We are also moving semi-finished steel from the Dominion Steel and Coal Company at Sydney to Hamilton, to the extent of about 10,000 tons per month. That 28,000 tons of steel, which cannot be finished at Algoma or at Sydney, would ordinarily go for export and be finished in other countries. That was the pre-war history of the surpluses of those two plants. By moving that steel to Hamilton 28,000 tons per month of additional basic steel are turned into finished products.

I think that is all to the good. It helps us to keep up employment in our own country and it helps the industries to work between each other and complement their various plants; and I suppose to some extent the price at which the finishing is done is fixed through the control order. But the fact of the matter is that under these controls the situation is getting to the point where a plant may survive or perish depending on how the controls are exercised. I was in a plant in which they were doing what I presume would be called metal stamping. I found that they were working only at about 50 per cent capacity because, as they said, they could not

get sufficient steel to carry on with, and it was all subject to what they could get from Canadian firms through the controller of steel. They also told me that they had not been able to take an order in almost a year because they did not know what the future was to be in respect of production.

Mr. Howe: May I ask the hon. member if he knows where the stampings were to be delivered? Were they to be delivered in Canada or outside of Canada?

Mr. Timmins: It was my impression that they were being delivered in Canada.

Mr. Howe: I think the hon. member is mistaken.

Mr. Timmins: The point I wanted to make was this. When I asked for permission to use the material and to give the names of the manufacturers who were involved in this matter, I found that there was a great deal of resistance on their part to being quoted in any way. This is no reflection on the minister, but the fact of the matter is that the industry is so much in the hands of the Department of Trade and Commerce and of the steel controller that they just could not afford to be complaining openly for fear that their steel might be curtailed to a point where they could not carry on. When we get the steel industry of the country in that position, then we are getting to the point where there is dictation. I am not suggesting to the minister that he is dictating, but I do say that we are in a trend, and the control trend is increasing to such a point that if we do not watch ourselves this whole industry will be under control. If one refers back to the control measure of last year, and examines the controls that are contained in that measure, he will easily discover that there is hardly anything the controller of steel cannot do. He can even go out and prospect for iron ore. He can run a smelting mill; he can run a melting mill; he can take possession of steel wherever he finds it. He can sell it for whatever price he wishes; he can run a refinery, a foundry and a warehouse. He can fix and regulate prices. There is hardly anything that he cannot do. He can do all this at a time when indications would seem to show that we are coming out of a shortage of steel.

I was disturbed when I read what the controller of steel had to say the other day as reported in the press. He said:

> I do not wish to detract from the magnificent increases in production which have been achieved by the Canadian steel industry since 1939, but merely to point out that if Canada is now fully developed from the viewpoint of steel production, the United States and Great Britain are hopelessly overdeveloped.

He went on to say:

> The United States does not take the latter view. The United States is prepared to give assistance to expansion, and "if the industry is not prepared to expand with governmental assistance, the expansion will be effected by the government without recourse to the industry."

I do not believe that these words were used with respect to Canada. I believe they were used with respect to the United States, but a little later on referring to Canada he said:

> As for government assistance, he thought it unlikely the government "would go into the steel business by creating any plants of its own but would make loans for the expansion plans of others."

Then he went on to say:

> Every ton of steel made in Canada has a definite home at least sixty days before it rolls off the production line. For this reason, if the flow of steel to a particular project must be increased, it can be done only at the expense of other users.
>
> "It is for that reason," he said, "that those enterprises which are being supported by the government have been confined to a small number of projects of a national character."

This quotation from the controller of steel would seem to indicate that there is a trend to increase the control of steel. Perhaps some of the powers that we had in the bill last year and which are to be brought forward this year will lead us into new fields in which the government will be taking an active part. So far as I am concerned, this is a matter which, just as quickly as the government can do it, should be left to the people who are in the enterprise. If we are ever to get this country on its feet the one hope that we have of obtaining enough United States dollars is in the production of iron ore and the fabrication of steel in this country. The day will probably come, and I hope it will come soon, when this industry will be the saviour of the economy of Canada. I hope that by its own efforts it will bring itself to the point where we shall produce sufficient iron and steel so that we shall have enough United States dollars to carry on with. When we come to the bill itself I hope we shall see that a great many of these powers that were contained in the bill of 1948 will not be carried forward in the 1949 bill. I hope that a great number of these powers which the controller of steel has been using up to this time, or could fall back on, may be discarded.

I understand that we are to have a new controller before very long. Perhaps this will be the time at which we should make these reductions in control because we do not want the new controller to begin his duties with the same thoughts in mind as the present controller seems to have, namely, that the government might get into the steel business.

I should like now to say a word or two about rental control. I presume we shall have the

same bill before us this year as we had last year. The Minister of Finance (Mr. Abbott) has already said what his proposals in the matter were going to be. At page 316 of *Hansard* he said:

> As the house is aware the government announced some time ago that it proposed to ask parliament to authorize the continuance of rental controls until March 31, 1950, and that provision would be made in the order continuing that control to provide that the dominion government would withdraw from that field in any province where the province requested that it do so, and that parliament would also be asked to make provision for paying the costs for one year of rental controls in any province which might see fit to exercise control in that particular field.

The minister knows full well that rental control, whether by good judgment or bad, was brought about by this government in 1945. He knows that the solution does not lie in throwing the responsibility onto someone else when all the mechanism of dealing with the housing situation, which is at the bottom of it all, rests with the federal government itself. As a matter of fact, how could the provinces hope to do anything in the realm of housing, which is our major problem today, when timber control is entirely in the hands of the federal government? In addition to that, steel control is in the hands of the federal government, and out of steel control emanates the production or non-production of bathtubs, basins, hardware, soil pipe, furnaces, and so on. All these things are under the control of the federal government. Further than that, building priorities are a subject matter that the federal government has stuck close to and still holds on to in order to produce the type of house that they think should be produced in Canada. So long as these elements are in the hands of the federal government it is useless for the minister to say that we shall turn this over to some other government who will do the job from that point on. As a matter of fact, the federal government has no housing program for Canada. It simply stumbles on, from year to year, telling us two or three times each year how many houses have been produced in that year, mostly by private enterprise, and then telling us that next year so many more houses will be produced. If the government would take this problem by the throat, shake it a bit, and then shake themselves, we would probably have some houses built in Canada. When we had the houses we might consider doing something about this rent control measure. Until such time however as the government really gets hot about this matter of producing houses, the matter of rent control will stand where it is.

It would not be so bad if we did not see so many anomalies under rent control. For instance, I believe the people of Canada, by reason of rent control regulations, in a sense are losing faith in themselves in the matter of looking after their own housing rights and responsibilities. For instance, how many tens of thousands of Canadian people have had to look to someone else to provide them with the kind of accommodation they have been unable to produce themselves. And there are thousands of others still living in accommodation not fit for human habitation.

Further when the government seeks to put through amendments to rental orders, I say it is in duty bound to see that it makes workable amendments, instead of the sloppy and inefficient amendments which do harm to hundreds, perhaps thousands, of good Canadian citizens. For instance in November of 1948 an amendment was made to the rental order which provided that an owner who had been owner of a property on November 1, 1947, could give six months' notice to the tenant to vacate, provided the landlord needed the accommodation for himself.

That was a sloppy amendment. It has struck more fear and terror to and caused more anguish in the hearts of more people throughout this country than any other provision in any amendment to a control measure. As a matter of fact, when the tenant receives such six months' notice he does not have a chance in those six months to find out whether the landlord actually needs the property, and is going to be able to prove his need before a judge or not. The result is, there is no way for the tenant to know whether he is going to be put out at the end of six months, or whether the notice is invalid and he should pay no attention to it.

The fact of the matter is that, after two or three months, not being able to get any satisfaction, and not knowing what his position is, he tries to find ways and means of getting other accommodation, often of an inferior type, when, as a matter of fact, if at the beginning he had been given an opportunity upon receipt of the notice to go before a judge and have the matter decided, he could have known whether, at the end of six months, he would have to move or not.

In addition to that, the amendment does not show in what legal jurisdiction the decision is to be made. There is no commissioner, such as applies in respect to other regulations under the rental orders. The decision would probably be made by a county court judge; but the county court judge does not get his authority from the rental order, but rather from the landlord and tenancy act of the province in which the tenant may be living.

So that, in respect of probably a thousand notices now being given, there are a thousand

families in Toronto who do not know today whether or not they can be put out six months hence. Those of us in the House of Commons have some responsibilities in respect to what amendments are made by the minister's department. To be a party to the sort of amendment I have described does not reflect any credit upon the minister or upon us.

By reason of the various amendments made to the rental order, without any thought to the housing situation, in Toronto today there are about four thousand people who on the first of May or June next will be evicted, if judges make orders against them, and who will be forced to try to find some other accommodation. This happens at a time when the government takes no responsibility whatsoever in respect to a real housing program.

Last year those of us who spoke on rental control suggested that, if this control was to be continued, some further relief should be given to veterans. Perhaps it was intended that the amendment of 1948, of which I have just spoken, would give that relief. I do believe however that at this time the minister ought to give thought to bringing that relief to the veteran who, prior to December 31, 1948, had acquired a home and paid for it, and who finds it necessary to get into that home. It seems to me that in all circumstances a veteran, on six months' notice, ought to have the opportunity to get into his own home, if he purchased it prior to December 31, 1948. I suggest the minister should give some thought to this matter.

Finally, speaking generally in respect to control of prices, we know that just this week the court of appeal sitting in Toronto handed down a decision in the McGinn case. That was a case in which a hardware merchant had been convicted of selling nails in contravention of section 8 of the wartime prices and trade board order at a price that was higher than was reasonable and just. In that particular instance, the man dealing in the nails —I believe he was a builder who dealt in nails rather than, in the strict sense, a hardware merchant—made a profit of $3,661.48 on 1,532 kegs of nails, when the average profit would have been $965.16.

I do not believe the court of appeal handed down a written judgment. My information is that the judgment was delivered orally. It may be that someone took down in shorthand the effect of the judgment but, as I say, I understand it was delivered orally. Perhaps reasons for judgment will now be forthcoming. The fact of the matter seems to be, however, that the court of appeal felt that the expression "higher than is reasonable or just" is so general in its application, and lacked such definition, that it could not possibly permit the conviction to stand.

Last year the government told us that in respect of control of rising prices two remedies could be had. The first was that under the Combines Investigation Act a person who did not play the game in the matter of prices could be brought to book or that, under the wartime prices and trade board order, there was provision to look after the man who was a shyster and who took advantage of the situation to make exorbitant profits. Now we seem to be down to only the Combines Investigation Act. In that connection I was interested to read again the conclusions of the committee on prices which sat last year, to see if, having regard to the decision in the McGinn case, the Canadian public could take any comfort out of the committee's conclusion with regard to prices.

Conclusion 11 of the committee reads:

> The committee realizes that in the long run the federal government may be faced with constitutional difficulties in regard to its operations in the field of prices. This is clearly a matter in which, within the Canadian federal structure, responsibility normally rests with the provincial governments, although the federal government, under wartime emergency conditions, was compelled to take action in this field.
>
> The committee is therefore forced to the conclusion that the solution of the problem of the adequate protection of the Canadian consumer will require the co-operation of the provincial governments with the federal government by taking the measures required in meeting their responsibilities.

That just lands us simply nowhere. I suggest to the minister in connection with the McGinn case, either that it be appealed right away, or that he see to it that the wartime prices and trade board order be given some teeth with respect to prices.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, in my opinion this measure with regard to our domestic policy is the most important measure we have had before us this session. Under the authority of this resolution it is proposed to introduce a bill which will continue certain orders and regulations that were exercised during the war. Of course the principal part will be that dealing with prices and the authority under which price control has been exercised.

I am glad the Minister of Finance (Mr. Abbott) is in his seat. Although the resolution is in the name of the Minister of Justice (Mr. Garson), in this case he is only the innocent bystander—he is only giving the bride away. The main proposal has been made by the Minister of Finance and it is chiefly to him I wish to refer when I refer to the government.

About a year ago this house set up a special committee to investigate the price situation in this country. There were those

in this group who said that it would be a waste of money and time to set up a committee which would only make excuses for the policies of the government. That committee, together with the royal commission which is still operating and which is about to make its report, will cost this country about $100,000.

One of the duties of parliament at this time is to assess the work done by the special committee—we have not the means available to assess the work of the commission as yet—to look at its proposals or recommendations and decide whether the government is doing or has done anything to carry out the recommendations of the committee or to warrant the time and money expended in gathering that information.

I contend that the government has made no attempt whatsoever to carry out the recommendations of the prices committee which worked so hard under difficult conditions. The Minister of Finance is the chief culprit in making a complete farce of the work of that committee. I was astounded when this matter first came before the house to see the Minister of Finance blithely get up in his place and give us a preview of the bill which is to follow this resolution. That was a most unusual course to follow because on other occasions when we were anxious to find out something about bills that were to come at a future time we were told, "Oh, no, we cannot tell you anything about the bill until the resolution is passed." On this occasion, with only the slightest encouragement, the minister was apparently glad to give us a running account of what is to be contained in the bill.

Mr. Abbott: It was just my naturally frank nature.

Mr. Zaplitny: Perhaps. Although I am not of a particularly suspicious nature I wonder if it was not a bit of appeasement; I wonder if the minister was not trying to forestall the hue and cry that is bound to be raised in this house and elsewhere over the government control of prices and its carrying on in a bureaucratic manner. I think the minister was just a little too anxious to get out from under. He was just a little bit anxious to say to the powers that be, "Do not worry yourselves too much; this bill is going to be even less insignificant than the bill of a year ago." He said that it was going to cover a restricted field and a rapidly diminishing one. In other words, this is going to be a decontrol bill.

After having read the report of the special committee and the publicity in connection with the royal commission, many people were under the misapprehension that something would be done. The royal commission carried on a tremendous task in gathering material and hearing witnesses and no doubt will be making recommendations. But before the report of that commission is even tabled in this house, the government is telling it that its work has been wasted, that it has made up its mind not to impose controls but to propose a decontrol bill which would cover a restricted field and a rapidly diminishing one.

Mr. Abbott: Does my hon. friend suggest that the commission was set up to recommend controls?

Mr. Zaplitny: If the commission was not set up to make recommendations, I wonder why it was set up at all?

Mr. Abbott: I am asking the hon. member if he thinks it was set up to suggest controls?

Mr. Zaplitny: I did not say that. I said that even before the tabling of the commission's report the government is telling the house and the commission what it proposes to do; it is telling them that it is going to present a decontrol bill.

Before referring to the actual report of the special committee on prices, I should like to consider for a time the situation in the country, which is creating concern in the minds of the people of Canada. I have never argued in this house or elsewhere that high prices as such were a burden upon the people, or that inflation in itself was the chief evil in this country. High prices or inflation are burdensome only to the extent that they create injustice in the distribution of prices across the country.

If there is a general rise in prices affecting all producers and all other people equally, then the only harm that is done is the inconvenience of having to carry a bigger pocketbook. But when the prices of the products of some people are going down while the prices of the things they have to buy are going up, a real injustice is created. That is where price control comes in.

By that proposition it follows that price control is not, as some people seem to think, merely a matter of keeping prices down. It is a matter of keeping prices properly adjusted so that no injustice shall be done to any occupational group in the country. That is the responsibility of the government, whether they admit it or not. There is one occupational group in this country, the primary producing group which would include farmers, fishermen and ranchers, that is seriously concerned at this time because it is beginning to see a trend similar to what happened approximately twenty years ago.

If any one had said in 1929 that it was necessary to have price control many people

would have laughed, would have said, "What for?" At that time prices were quite reasonable. The primary producers were receiving a fair return for their products in relation to the prices of the manufactured products they had to buy. But in a brief space of time what happened? I have the figures here to show the double-barreled trend that came upon us so suddenly that the people were completely unprepared. At that time we had what is now known as a depression. Some people blamed that on spots on the sun while others claimed it was due to certain mystic causes.

Mr. Diefenbaker: It was in socialist countries as well.

Mr. Zaplitny: Would you name those socialist countries?

Mr. Diefenbaker: New Zealand and Australia.

Mr. Zaplitny: My friend had better study his history as well as his law books because in 1929, 1930 and 1931 they did not have socialist governments.

Mr. Diefenbaker: But after they came into power the people still suffered.

Mr. Zaplitny: The Labour government of New Zealand did not come into power until 1935. Now that we have our history straightened out let us go on. There was a double-barreled trend that hit the country all at once, and particularly the primary producers, with the prices of farm products taking a sudden drop and the prices of manufactured products leisurely taking their time about coming down, and in some cases not coming down at all but going up. The Minister of Justice (Mr. Garson) will remember the time when the price of wheat was dropping by ten or twelve cents a day, and at the same time the prices of farm implements were actually increasing. I have figures here which illustrate the situation as to prices for cattle and hogs. The table is as follows:

Cattle and Hog Prices, December, 1933

	Per 100 lbs.
Hogs	$5.43
Beef Steers	3.00
Cows	1.45
Bulls	1.38

You could feed a multitude of people with the price of a cow at $1.45 per hundred pounds. In 1934 the Robert Simpson Company was doing fairly well. I have figures showing that on certain types of clothing they made profits ranging from 101 per cent to 374 per cent at the same time that farmers were giving away their produce for practically nothing. In some cases the cost of transportation was more than the value of the animal shipped.

Mr. Smith (Calgary West): Was that gross or net profit?

Mr. Zaplitny: That is the percentage of profit in relation to cost.

Mr. Merritt: Gross profit.

An hon. Member: What are you quoting from?

Mr. Zaplitny: I am glad that question was asked. The figures are taken from the report of the special committee on price spreads and mass buying. The chairman of that committee was Hon. H. H. Stevens, who was appointed by the Bennett administration.

Mr. Garson: It is markup, is it not?

Mr. Zaplitny: That is the percentage of profit in relation to cost. It is the markup, and that would be the gross profit. When we are talking about gross profit and net profit it might be just as well to quote the figures of total farm income for comparable years. I cited the year 1934 in relation to the profits of the Robert Simpson Company. According to the Dominion Bureau of Statistics the gross income per farm in Canada was $535, and the net income was, if you please, $98 per farm.

Mr. Smith (Calgary West): If you take the total income it makes it even worse. I think it was only $86 million.

Mr. Coldwell: That makes it worse.

Mr. Zaplitny: The reason I am putting these figures before the house is to show that price control is not merely nor chiefly a matter of holding prices down. It is a matter of adjusting prices in order to make them fair to all concerned. As I mentioned on a previous occasion not so long ago, the main objective of the primary producers of the country, as expressed through their organization, the Canadian federation of agriculture, is the stabilization of their position. Farmers today are prepared to carry their share of the load, but they do not wish to see their prices diminishing while other prices are still climbing, and thus be given an unfair share in carrying the burden of the country's economy. I think that is a reasonable position to take. It should be one of the chief objectives of the house to work out a program under which agriculture will be stabilized in the future, and without a measure of price control I do not know how it can be done.

I want to say with all sincerity that when I read the various party platforms I find much in their proposals for agriculture with which I can agree; but frankly I fail to see how any of them can be carried out unless we

have a system of price control in order to stabilize the economy of our country. All parties start out by saying something like this: "We believe in giving the farmers a fair share of the national income." How are you going to do that under a system of free enterprise if the trend is the same as it was in the period of ten years from 1929 to 1939? Under free enterprise what government of that day could have given the farmers a fair share of the national income, and what government made any attempt to do so? Therefore, if we are going to carry out the pledges to the Canadian people that we have made in our election platforms, we must carry them through to the point where we are willing to accept responsibility in the house for providing and setting up machinery which will do what the various party platforms say they will do for agriculture.

To return to the report of the special committee on price spreads and mass buying, the chief question that arises is, who is responsible for the increase in prices. I am not going to say that all the responsibility lies in one quarter, but I do say that the chief villain in the drama is the profits that have been taken by various industries. There are those who will challenge that statement; there are others who will say that profits are not the main cause of price increases. Let me refer them to a newspaper clipping I have of a public opinion poll taken in July, 1947. The heading is: "Big profits are pointed to as the number one price villian." On reading it I was interested to find that they not only gave figures about public opinion on the question as a whole, but they also broke it down by political parties. I am not saying it is perfectly accurate, but it gives us a general picture. The question was asked: "Do you think the main cause of high prices in Canada is high wages, big profits or some other cause?" Fifty-five per cent answered, "big profits". More than half of the people of Canada said that big profits were the cause of high prices. When we come down to the party groupings we find that 54 per cent of the Liberals questioned admitted that the main cause was high profits. Forty-five per cent of the Conservatives questioned said the main cause was high profits, while only 35 per cent of the Conservatives said that it was high wages. Then it goes on to show that 72 per cent of the C.C.F. said that the main cause was high profits. That gives us an indication at least of the general public opinion on the question in 1947. I believe that nothing that has happened since that time has had any effect in changing their opinion. If anything, their opinion would be reinforced, because on the whole profits in 1948 were higher than they were in 1947.

What did the committee on price spreads and mass buying say? First of all I will quote from page 4 of the report which is in the section dealing with their findings. I read:

> In its investigations the committee found that, in certain instances, opportunists, taking advantage of the special conditions existing, made unprecedented profits. While it may be true in some cases that such profits were of a non-recurring type, there is no doubt that the high prices that produced these profits did raise the cost of living at that time.

That is a very mild way of putting it, but it is admitted that the profits involved were the cause in that instance of prices going up.

Then, on page 8, under recommendations, the committee says:

> The government should give consideration to the desirability and practicability of restricting price rises by special taxation of unreasonable profits.

If they were not unreasonable profits, why would the committee recommend a special tax on them. It is a clear indication that the committee felt very uneasy about the unreasonable profits that were being taken.

On the tenth page of that report, the committee makes a direct recommendation asking the government to consider the reimposition of certain control measures and the application of some measure of temporary subsidy. The committee which sat during last session made that direct recommendation. This committee cost the country $88,000, and the government has already announced, through the Minister of Finance (Mr. Abbott), that it is tossing the report aside and is not going to act upon it.

We go further through the report and on page 24 we find these words:

> —there can be no doubt from the experience of the committee that unreasonable and unjust profits and prices have been brought to light.

On page 25, we find these words:

> —there were indications also that it represented in some exceptional cases a selfish attitude of trying to get the most out of the public without regard to the well-being of the consumer. This contention is based on the theory that so long as the public will pay a higher price, a higher price may be charged.

This is a reference to the attitude taken by various companies on the question of what constituted a fair price. The president of Canada Packers in his classic reply said that the price policy of the company was to buy as cheaply as possible and sell as high as possible.

An hon. Member: What are you doing?

Mr. Zaplitny: That seems to be the attitude all the way through. Some members ask me, "Is there anyone who has not that attitude?" A little while ago we heard from the member for Peace River (Mr. Low), who told us it was a most reprehensible thing for anyone to take advantage of the condition in the country by

extracting as much as possible in the way of profits. If that is a proper thing to do, as some members seem to think, if that is the proper way to carry on under a private enterprise system, then we might as well say so and throw it wide open.

Mr. Gibson (Comox-Alberni): Will the hon. member permit a question? Is that not the way he operates his own farm or his own business?

Mr. Zaplitny: I am not going to argue about my private business. As it happens, I do not buy or sell things. The main point, however, is whether we are going to accept the proposition that it is proper for any industry or business in this country to gouge the customer as much as possible. If we accept that principle, there is no further argument. There is no need for this bill at all. On the other hand, if we accept the principle that our first concern should be for the public, that human rights take priority over property rights, then it is necessary for this house to provide legislation which will keep prices at a proper level. We can take one stand or the other.

When in doubt one likes to seek expert advice. This time, I am going to call a witness who, I think, will be acceptable to all members of the house in spite of some of the unkind things that have been said about him in the past. I still believe he was a faithful and loyal citizen doing a fine job in a difficult position. I refer to the former chairman of the wartime prices and trade board, Mr. Donald Gordon. During 1946, he made several broadcasts in which he frankly put before the Canadian people the choice they must make and the things that must be kept in mind in making that choice with relation to price control generally. I should like to quote a remark he made on the 1st of November, 1946.

People that want price increases sometimes suggest that removing the controls at this time would not result in any serious advance in the price level. That is sheer nonsense. That sort of view is the kind of logic used by an ostrich when he hides his head in the sand.

I am not going to make any comment on that remark, but I shall go to the next quotation, which is from a speech made on the 15th of November, 1946.

So, we Canadians have to make our choice—to decide whether the readjustments needed in present abnormal conditions should be controlled or uncontrolled. If our choice is to let the readjustment take place without government supervision or control, then we must be prepared to accept sudden and sharp advances in prices of many necessities and a condition of near-chaos in the field of shelter.

Those words were borne out by the argument of the hon. member who spoke just before me. I continue with the quotation:

We must also be prepared to take the very serious risk—in my view, it is a certainty—of a following slump in prices, in employment, in incomes and especially in farm incomes. Every lesson of the past shows how booms are followed by slumps. It seems to me that this fact must be one of the main certainties we must all have before us because assumptions to the contrary have been so consistently disproven.

In those few lines he not only pointed out, as far back as 1946, that if price controls were removed we would have to expect immediately the higher prices and hardships which we have been experiencing in the past few years; he also warned that, when the peak had been reached and passed, we must expect a sudden slump in prices in this country. We in western Canada who have seen the years of depression and the effect they had on the farm population know very well what he means by a sudden slump in farm income. Any member coming from the prairies or any member coming from a farming community should take that warning seriously, because as surely as we allow profiteering to run hog-wild, as surely as we allow industry to form combines and create monopolies in order to create artificial prices, then just as surely are we going to have another depression in this country. All the horrors, suffering and privation will be experienced again.

I could quote many more of Mr. Gordon's statements but I think I have quoted enough to indicate that, in his opinion, we could either throw the doors wide open and leave our price structure to speculation and profiteering, which seems to be the course some members in this house wish to take, including the Minister of Finance (Mr. Abbott), or we could have what has been described as a planned economy. The planned economy was scoffed at by the hon. member for Peace River (Mr. Low), but such scoffing was in poor taste because, in order to implement the social credit theory, it would require the most meticulously planned economy. In any event, we believe there must be planning on a national scale in order to see that the interests of the public are protected. I am sure the members of this house who are fond of reading should read a book entitled "Sweden, the Middle Way". It was written quite a few years ago and if it were rewritten to bring it up to date, it would be even more interesting. It is, however, one of the best books I have read to show what a democratic people can do in planning their economy, step by step, through co-operatives and so on. There is some private enterprise in that country as well. Sweden has natural resources similar to those in Canada, but not as much wealth; yet Sweden has managed to obtain a standard of living equal to any and to keep prices at a reasonable level at a time when

other countries have been experiencing either booms or slumps.

It seems to me, if this house is going to make a decision, it will have to be based on a knowledge of prices. There are those who throw up their hands in horror if you mention control to them in any shape or form. They scream for free enterprise. No one is opposed to free enterprise in its legitimate form. May I remind the members that as far back as 1934 or 1935, at a time when we were in a slight depression, we had just gone through a period in which we had the closest thing to free enterprise we ever had in this country.

All during the years of the depression we had no wheat board. There was no wartime prices and trade board, no rent control or control of any kind. Yet at the end of that period, as was well borne out by the report of the Stevens prices commission, it was found necessary to recommend to this parliament that certain forms of control be provided for in this house. Unfortunately, before many of those recommendations could be carried out, parliament was dissolved, there was an election in which the administration was defeated and a new government came in which of course tossed the whole thing out.

Even at that time, let me quote some of the words used in that report referring to what they call laissez-faire capitalism which is supposed to be the essence of free enterprise. This is what was said:

> As the great master of English classical economists, John Stuart Mill, wrote in 1893, "that principle—

That is, laissez-faire.

> —like other negative ones, has work to do yet, work mainly of a destroying kind; and I am glad to think that it has strength left to finish that, after which it must soon expire . . ."

That was written fifty-five years ago. It means this. The economy of this country and that of all countries which have gone into what we have called the machine age has reached the point where, even if it were desirable, it is no longer economically possible to leave the running of the economy of the country—the main decisions as to the economic steps that shall be taken, the direction in which the economy shall expand, the amount of distribution and production and so on—to free enterprise; because we have reached the stage in our development where we find it possible to produce a far greater quantity than before.

But along with that tendency, along with the machine age, there came the modern development of capitalism which is aimed at monopoly. Every big industry and business operating under capitalism strives to create a monopoly; or if it is too small to do it alone, it tries to create a combine with other businesses so as to restrict competition, do away with competition, and to set an artificial price structure in order to gouge the consumer. That process has been going on before our eyes for the last decade or more. Report after report has been handed to us by the commissioner investigating combines, cartels and so on. This government and past governments have been absolutely powerless to do anything about it under the Combines Investigation Act.

Mr. Ferguson: May I ask my hon. friend one question?

Mr. Zaplitny: Yes.

Mr. Ferguson: Can he name two combines of which he knows in the Dominion of Canada and which he can prove are definitely combines setting prices and controlling them absolutely?

Mr. Archibald: Canadian Industries.

Mr. Ferguson: I asked the hon. member for Dauphin (Mr. Zaplitny). I will have a couple of questions to ask the hon. member who interjected, which he will not be able to answer.

Mr. Zaplitny: I will answer the question as soon as my hon. friend sits down.

Mr. Ferguson: I am sitting down.

Mr. Zaplitny: The distribution of bread is one example.

Mr. Ferguson: I asked for two. I thought my hon. friend would give that one.

Mr. Zaplitny: Optical lenses is another. There is the dental industry, Canadian Industries Limited and International Nickel. I could name a few more, but I think my hon. friend asked for only two.

Mr. Ferguson: My hon. friend wants to be fair.

Some hon. Members: Order.

Mr. Ferguson: International Nickel does not control the price of nickel.

Mr. Bentley: Let the hon. member make his own speech.

Mr. Ferguson: I may be able to help my hon. friend along in his, if he will listen.

Mr. Bentley: The hon. member has not anything to tell anybody.

The Acting Speaker (Mr. Golding): Order.

Mr. Zaplitny: I do not mind answering questions provided they are asked in good spirit, and I am sure that is the way in which this question was asked. I am sure that if my hon. friend seriously wishes to find out whether there actually are combines and monopolies operating in this country, he has

only to read the report of the combines investigation commission and the report of the price spreads commission which was submitted by H. H. Stevens, once a member of his own party and who later on created a party of his own.

Mr. Blackmore: The combines are much bigger now.

Mr. Zaplitny: If he reads those reports, he will be thoroughly convinced that there is a strong and pronounced tendency towards monopoly, combines, cartels and all the rest of the things about which I have been speaking.

Mr. Ferguson: I have read them, and I am not yet convinced.

Mr. Archibald: Stick around.

Mr. Zaplitny: I am not responsible for that.

Mr. Smith (Calgary West): Will the hon. member permit me to ask one question which I assure him is a sincere one?

Mr. Zaplitny: Yes.

Mr. Smith (Calgary West): The hon. member mentioned the bread situation in western Canada. Is he aware of the fact that the bread people in western Canada, who have been castigated by Mr. McGregor, are doing exactly the thing which the wartime prices and trade board forced them to do all through the preceding years? The wartime prices and trade board controlled their price, forced them to make it level; and now they are doing exactly that thing which the government forced them to do.

Mr. Zaplitny: There is one important factor that the hon. member left out of the question, and that is that, while they may be doing the same thing, they are going in the opposite direction. That is fairly important. The wartime prices and trade board set price ceilings on bread. What these people are doing is setting price floors on bread and gouging the customers.

Mr. Smith (Calgary West): The wartime prices and trade board—

The Acting Speaker (Mr. Golding): Order. I would call the hon. member's attention to the rule which says that the hon. member who has the floor should not be interrupted.

Mr. Smith (Calgary West): That is quite right. I will not say any more.

Mr. Zaplitny: In the time left at my disposal, let me review briefly what are the proposals that have been placed before this house at various times by the various groups here. I should also like to make clear my own stand on this question. Last year the hon. member for Spadina (Mr. Croll) made this statement, as reported in the Toronto *Daily Star* of January 24. I have checked the statement with him since then in order to ascertain that it was a correct quotation, and he assured me that it was. He was discussing prices, the cost of living, and also speculating as to who the next leader of the Liberal party would be. He said:

> I hope that such a leader will have the same fidelity to the principles of reform. If we don't have that fidelity, then we become indistinguishable from the Tories.

Later on he went on to say:

> We as Liberals admit we made a mistake, so we have put the controls back on again.

The first part of the last quotation is correct: they did make a mistake. But the second part is hardly correct. They have not put controls back on again.

The thing that intrigues me is that in an extremely frank way the hon. member said that, if the Liberals are not loyal to the principles of reform, they will be indistinguishable from the Tories. I think that point has been reached. The almost tie vote in Nicolet-Yamaska was a good indication that the voters could not tell them one from the other. In order to set at rest the minds of any hon. members who may think I am making a false assumption as to the basic philosophy of the two parties which sit to the left and the right of the speaker—that is, the Liberal party and the Progressive Conservative party—I would refer them to a statement of one of their own recently-elected members whose frankness may perhaps be forgiven because, as a new member, he possibly has not quite the experience of shadow-boxing which others can claim.

Mr. Gardiner: On the basis of that argument, my hon. friends did not have any supporters there.

Mr. Zaplitny: In speaking to a Progressive Conservative group, the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) said this, as reported in the Ottawa *Journal* of February 17:

> Mr. Nowlan agreed with the statement that "there is not much difference between the Liberals and Progressive Conservatives. On the great mass of problems, we have the same general beliefs although our methods of doing things are different."

When you go a little further west to Manitoba or British Columbia you find that even methods are not very different, because there they have embraced each other and are carrying on as a coalition. In what direction are they going? I can quote from another paper, the Winnipeg *Citizen*, which came to hand today, and this is what one of the members who became fed up with the coalition and walked across the floor of the house said.

This gentleman was one of the Liberal members of the coalition. He said:

> The time has come to tell the people this government has been too reactionary.

He gave certain reasons for saying that.

Mr. Ross (Souris): Who was the member?

Mr. Zaplitny: I think the hon. member knows who he is.

Mr. Ross (Souris): Mr. Speaker, may I ask who the member was?

Mr. Zaplitny: I shall be glad to provide the information. Mr. Prefontaine was the member. After having been in the coalition for so long he should know what he is talking about.

Mr. Garson: That happened after I left.

Mr. Zaplitny: It is interesting to note that in this house we have two former premiers of the province of Manitoba, both coalition premiers, sitting on opposite sides of the house. I would suggest that we provide them with a little desk in the middle of the aisle, because they really do not belong to either side. They could then sit together.

Mr. Blackmore: Will the hon. gentleman permit a question? I think the house would be delighted to know to which party the member referred to belongs, whether Liberal or Conservative.

Mr. Zaplitny: He has crossed the floor only recently. So far as I know he has not declared any affiliation. He was a member of the Liberal party.

What I intended to show was that so far as the price control issue is concerned we can assume that both the Liberals and the Conservatives have the same basic policy. They do not believe in controls. They believe in getting rid of all controls and carrying on on the so-called free enterprise basis.

We come now to the Social Credit group. The leader of that party is reported by the Canadian Press under dateline Ottawa, January 10, as having suggested the reimposition of price ceilings on meat, butter, milk and vegetables.

In view of what he said today, I am not just sure which policy he intends to follow, because today he indicated he was opposed to price control. In the past he said that he was opposed to planned price control. I suppose if they were sufficiently unplanned he would not mind having them on these agricultural products. I am amazed that an hon. member coming from Peace River, where he represents an agricultural area, would advocate that this parliament pass legislation to hold meat, butter, milk and vegetables under ceilings and let all the rest go scot free. Surely that is the situation we have today because in giving us a preview of his bill the Minister of Finance told us what is still under control and what he proposes to keep under control for the time being. He mentioned flour.

Mr. Deputy Speaker: Order. I must inform the hon. member that his time has expired.

Mr. Zaplitny: I was going to quote the words of the minister in which he gave us the things that are still under control. He said that the things under control are flour, butter, vegetables, sugar, bread, fruits, molasses, steel and then of course rent control. It will be noticed that practically all the things mentioned by the minister which are to be put into the bill are products of agriculture with the exception of steel and rent control. These things are to be put under control at a time when the prices of agricultural products are on the way down and the prices of manufactured products are still on the way up. If there ever could be a more bedevilling situation I do not know who else could bring it up but the Minister of Finance. We of the C.C.F. group believe that the time has come to give the primary producers of this country a break, and that is why we have advocated price controls and advocate them today, and intend to continue to fight to have price controls on these things which enter into the cost of production of primary producers as well as price ceilings on essential commodities such as food and clothing.

Mr. R. R. Knight (Saskatoon City): I was not at all sure whether I would take part in this debate until I heard the speech of the hon. member for Peace River (Mr. Low). His allusion to Britain and the British government I did not particularly relish, and I shall have a word to say about it in a moment. The bill to be introduced, I take it, will propose the continuation of some of the orders in council in force at the present time. It will not provide for any further controls, and I presume the government at its own option can drop at any time any of the controls in existence at the present time and to be renewed.

If apathy in regard to the matter of prices has been apparent in this house for some time, if the tumult—and it has been a political tumult—of the last few weeks would seem to show a comparatively greater interest in legalistic arguments in regard to constitutional law than it does in things such as prices, I may say that the matter of prices is still a vital thing in 80 per cent of the homes of the people of this nation. If they have appeared to accept high prices through

becoming used to them, then I say that it is the acceptance of despair and the apathy of discouragement.

I believe that my hon. friend, the hon. member for Winnipeg North Centre (Mr. Knowles), was not far wrong the other day when he attributed the result of a recent by-election to the government's failure, its persistent and consistent failure, to do anything about prices. Even if prices do come down in the near future—there is some sign that in some directions they may, though I notice that the cost index is still staying at about the same level—the failure of this government in that regard will be remembered for a long period to come.

The record of my own group on this matter of prices, its particular stand in regard to it, has been clear all along and has been consistent. We have been consistent; we have been constant; we have been ardent in our protestations against the abandonment of price control, in at least as far as it guaranteed the standard of living of the great masses of the people of this country.

The rising tide of the desire for profits on the part of business, big business generally, I think was too much for the government to contain, and the dam of controls, if I may call it that, was punctured in many places. There is no good to be derived from referring to these historic occasions such as the 12½ per cent rise in the price of implements and the punctures all along the line which took place until the whole structure collapsed and the country was inundated by this flood of rising prices, and the savings of the people were swept away and their dollars were devaluated.

Not only has the control of prices been abandoned, but monopolies have been condoned. We had a query a few moments ago in regard to monopolies which I think was satisfactorily answered by the hon. member for Dauphin (Mr. Zaplitny). I am surprised that in this day and age any hon. member, or any public man anywhere, would ask the question which was addressed to my colleague this afternoon. The question was asked if there existed in this country anything that could be called a monopoly. The hon. member asked that question after having had three government publications made available to him, namely, the McGregor reports, which should have instructed the hon. gentleman in that regard.

I may be making a strong statement, but I believe it to be true that this government stood by and allowed people to be robbed in their purchases of bread—and when I say "robbed" I mean just that—and their purchases of spectacles and dental supplies. As a matter of fact I had those three items down here in my notes, the three things mentioned by the hon. member for Dauphin (Mr. Zaplitny).

In respect of the last two items, namely spectacles and dentures, sometimes I am inclined to wonder whether the helplessness of the victims was not the reason for the choice of those two groups of items for purposes of exploitation. I have wondered whether the choice might not have been brought about by the fact that, for the most part, the people who use these things are aged people, most of whom are not well off, and thus become good victims for these commercial predators.

Mr. Smith (Calgary West): I see the hon. member is wearing spectacles.

Mr. Knight: Yes, and I paid $23.50 for them, too.

Mr. Smith (Calgary West): You were trimmed.

Mr. Knight: That was a long time ago. I understand the price now is even higher. It will be higher when my hon. friend goes to get his. Many of the old people have to have spectacles, and it is unfortunate that the prices are so much higher than they were before.

Why has not the government acted against these people? That is a fair question, and one often asked me by my constituents. My only answer to them is that I do not know. I do know that the government did prosecute in one case; but owing to some legal and technical difficulty, which certainly I, and I am sure any average person in my constituency, could not understand, the case was dropped and the thing goes merrily on.

Someone suggested the other day that the government might be saving up to have a showing of these particular prosecutions to coincide with this favourable budget which we are supposed to be having from our friend —so often called our genial friend—the Minister of Finance (Mr. Abbott), some of these days. Coincidentally, perhaps, the budget would be presented with a parade by the government of renewed good intentions, by way of showing at the proper time that the government has the good of the people at heart.

But the government has been in power long enough to have done some of these things it now intends to promise to do. I hope in this matter of controls it may even yet pull some of the chestnuts out of the fire. My view is that the government should now extend the power of this measure so that for another year at least they would be able to exercise,

for the benefit of the consumer, the slight power left to them under the act.

I now turn to some of the remarks of the hon. member for Peace River (Mr. Low) which I deprecate and which I was sorry to hear in the House of Commons. Let me say at once to the hon. member that he is not the only one who has ever crossed the water and looked at conditions on the other side. I understand this was the hon. gentleman's first visit. I would remind him however that one usually sees what he looks for. And I would remind him further that one's opinions are often influenced by the company he keeps and the people with whom he talks.

I am not going to suggest that one of the people he saw was Oswald Mosley—but from the opinions he expressed, I should think such opinions might easily have been garnered from that source. The hon. member sneers at the intellectuals in the British Labour party. I am reminded of the old saying that the cat can look at the queen. I did think there was something incongruous in hearing the hon. member for Peace River criticize a man like Sir Stafford Cripps.

Mr. Smith (Calgary West): Why not?

Mr. Knight: As I said, the cat can look at the queen.

Mr. Smith (Calgary West): He is a lawyer out of place; that is all that is wrong with him.

Mr. Knight: I, too, was in Great Britain this summer and, while there, I saw some of the work carried on by those intellectuals. I saw the houses they have built there—and that is more than I can say for the intellectuals sitting on the government benches in this house. I saw over there the great power plants coming into operation. I saw the result of the national investment carried on there in the last few years. I only wish we had some of those intellectuals over here. We could do with a few of them on both sides of the house, but for the moment I would rather see them sitting opposite, so that we might have something done. I would say to the hon. member for Peace River that this—

Mr. Gardiner: Get new glasses.

Mr. Knight: —was not my first visit to the old land. I did not hear the interjection of the Minister of Agriculture (Mr. Gardiner). Perhaps he would like to repeat it—or get another pair of glasses.

Mr. McCann: No combine on them.

Mr. Knight: In defence of the suggestion that my opinion is just as good as, if not better than, that of the hon. member whose speech I am criticizing, let me say that I have visited the old country consistently and periodically for a good many years. Perhaps in that way I am able to note better than most people the changes which have taken place. Perhaps I have seen more, and my opinion would be as good as that of a man who visited there for the first time and had only a few days to look at those things which came under his observation.

I deplore this attack upon Great Britain. The state in which she found herself was that of bankruptcy—a bankruptcy which was caused by her war effort. Everyone knows that. And, if I may say so, that war effort was not exerted wholly on her own behalf. Let us not forget that for many days and months she stood alone. Let us not forget that after the war her foreign trade had gone, her foreign investments had gone, but that she did her share—and did it nobly—of feeding the starving people of Europe.

What did she do? There would have been some excuse for her if she had thrown up her hands, as many other countries would have done. But no, not the Britisher; he sat down and made plans. So far as I am concerned, this procedure of sneering at planning does not apply to Great Britain, because she planned, and planned to some purpose. She went to work and made the best arrangement she could with her creditors. And let me say that she did not try to meet her debts with funny money, either.

She clamped down on her people for the purpose of carrying out a severe program through which her export trade might be gained back again. The hon. member sneered at the food over there. Well, I was over there, and I did not lose any weight. Here are people who are doing without luxuries in order that they may pay their debts. I do not know that that is a thing to sneer at. They did all this in order that they may pay their debts, restore their economy and keep their heads high among free men.

Mr. Coldwell: And, incidentally, they are free men.

Mr. Knight: The food does lack variety; of course it does. It is plain, but there is ample supply, and it is well distributed. Statistics of the social welfare department in England show that on the average children are both taller and heavier than they were a few years ago.

I shall not take much more time, but if I had the time I could give more detail of life on the farms over there. It so happened that I spent most of my time on the farms. I did not see any of those things the leader of the Progressive Conservative party has

been quoted as having said he saw in connection with the agricultural situation in England, to the effect that it is in a bad way. Indeed, my observations were the exact opposite. I do not know whether I was in a better part of the country than the part the leader of the opposition visited. I will say this however that, in all the trips I have made over there, this was the first time I did not find the farmers complaining. And when you find farmers who do not complain you can conclude that they are fairly well satisfied.

For the first time farm labour is contented in spite of the assertions that come from many quarters that that cannot be brought about. They have proved that it can be done, that farm labour can be placed on a basis of decent wages and decent working hours.

The district to which I refer happens to be in the north of Ireland. It is interesting to note that the government there is perhaps the only Tory government in the world, certainly in the commonwealth, with the exception of the one my hon. friends over here are interested in, in the province of Ontario. It is called a Tory government but it does not qualify as such according to my understanding of the term.

In my opinion they have more socialistic measures in force in Northern Ireland today than they have in any other country in the world that is not under a socialist government. As the Minister of Agriculture (Mr. Gardiner) will be able to tell you, they have a rigid system of farm inspection and seed inspection for things like potatoes. They have a rigid system of inspection of those things which they export to the British market. In addition they have a socialized transport system. You can buy a ticket on the train and then use the other half to return by bus. I suggest to my Tory friends in this country that they wake up and study some of the measures that government has put into force.

Of course, as I say, it is not really a Tory government. Anybody who understands northern Ireland or southern Ireland knows what kind of government it is. You would never believe it to look at me now, but I was brought up to be a good Conservative and all my people were Conservatives. What they have there is really a unionist government; it is not a Tory government at all.

I do not want to get into Irish politics because they have been at it for three or four hundred years and have not got things settled yet. I shall not delay the house any more with what are becoming anecdotes rather than remarks in connection with this bill.

I was delighted to see the things I saw because they meant prosperity to the people I knew in the old country. Many of the things I saw were directly due to the system of controls and subsidies that was in force. While the farmer was receiving excellent prices for his products, the working people and those who lived in the small towns were, under that same system of subsidies, able to buy the necessities of life at prices which they could afford to pay.

It is for these reasons and because of the observations I made that I think we in this country should not be too hasty in abandoning this idea of controls and going back to a system of unbridled private enterprise which brought us to disaster in the past and which may bring us to disaster again.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I listened with a great deal of interest to the hon. member for Saskatoon City (Mr. Knight) as he portrayed the operations of socialist agriculture in Great Britain. While he paid high tribute to it over and over again, I think for three times in succession he referred to what he called the benefits of the rigid system.

THE ROYAL ASSENT

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

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly the house went up to the Senate.

And having returned.

Mr. Deputy Speaker informed the house that the Deputy of the Governor General had been pleased to give in His Majesty's name, the royal assent to the following bill:

An act to approve the terms of union of Newfoundland with Canada.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Diefenbaker: At the time of the adjournment, Mr. Speaker, I had just referred to the very interesting address delivered by the hon. member for Saskatoon City (Mr. Knight), in which he used the words, "rigid system" as necessary in the economic field. This phrase was repeated on several occasions. So far as I am concerned, rigidity such as he pictured must inevitably lead to a degree of regimentation that will deny our

way of life. In saying that I deny the necessity of rigidity in our economic system, I realize the necessity for state intervention in any system of private enterprise in order that the social rights of the individual within the state shall be protected and maintained.

We are dealing with a resolution respecting the continuation of certain controls. What those controls will be, we have merely an indication. Within the field of the control of prices, controls prevail over flour and bread, butter, sugar, cane molasses, imported fruits and canned vegetables. There is a further control over rentals, and there are also the specific controls requested by the Minister of Trade and Commerce (Mr. Howe) in respect of steel. Steel control was dealt with this afternoon in a very able and commendable manner by the hon. member for Parkdale (Mr. Timmins).

So far as prices are concerned, the minister has made no statement indicating the degree to which controls will be maintained. The committee on prices, whose chairman was the Minister of National Health and Welfare (Mr. Martin), sat for three or four months last session and made recommendations which the government has not seen fit to put into effect at all. Following the adjournment of the meetings of that committee, a royal commission was set up. The commission has proven true to the record of many royal commissions in that, while it sat for a long period of time, its recommendations have not been acted upon. They must be of so little importance that we have not them before us at the present time, when the whole question of price control is being discussed. Indeed, the only hope we have of seeing this commission report is at the end of the present month when the printer has finally completed his task.

Royal commissions are set up for one of two purposes: first, to secure information upon which a decision may be made or, secondly, to evade responsibility for the making of any decision. Until we see the commission's report, each of us is left in a position of personally determining which of these two reasons prompted the setting up of that royal commission.

These control resolutions are based on the principle of the continuation of a national emergency. When the legislation was first introduced in the house in 1945, I remember well that it was generally understood the ministers of the crown expected the emergency arising out of the war would be of comparatively short duration. The government believes that we still have it with us although within the last year there has been a considerable reduction in the fields in which the government has been able to infringe upon the jurisdictions of the provinces by means of the powers granted under the emergency controls.

An outstanding judgment in connection with emergency powers was delivered by the chief justice of the court of king's bench in Manitoba, in the case of Nolan *v.* Hallet and Carey, reported in 1948, (2) Dominion Law Reports, page 726. If I understand that judgment, it limits the sphere within which orders in council may be passed that purport to be passed under the powers contained in the emergency powers act.

Prices are at an all-time high and all the government has done has been to have a royal commission sit on the question, the report of which is still concealed in the hearts of the members of the government. We have the highest taxation in the history of this dominion and yet there is no apparent realization of the necessity of a substantial reduction in income tax rates to the end that there will be a greater incentive to producers and workers in the country. The Canadian dollar is at its lowest ebb in its history. In the international world, trade is disappearing at an accelerated pace, where our exports are being greatly reduced in our customary markets.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I am not referring to the United States; I am referring to our customary markets. As a result of the rigidity of bureaucratic controls, international trade finds itself jammed between controls brought into effect on foreign exchange and the controls on exports and imports. The world is in a condition of prohibitions, embargoes and quotas that determine whether there shall or shall not be trade. If ever there was a time when there should be an extra incentive for production, it is today.

Some of the members of the government may laugh, but throughout our country people are demanding, and demanding in tones that even this government should hear, that there must be a reduction in taxation. There is no excuse for the continuation of a system whereby, within the first nine months of the present fiscal year, the amount of excess taxation imposed by this government totals $610 million. On a per capita basis of population that means that, at a time when there should be an incentive, when there should be a further expansion on top of the expansion already taking place, $165 in unnecessary taxation has been extracted from every Canadian family within the last nine months.

At this very time when such a tremendous surplus is being built up the government is continuing to expend, and to expand controllable expenditure, at an unusual rate. The

facts are available as at January 15, 1949, in the issue of the *Canada Gazette*. It is set out there that the revenue and expenditure for the first nine months of 1948 starting April 1, 1948, resulted in a surplus of $609,949,000. It is also shown that within the same period controllable ordinary expenditures by government departments have increased by some $140 million, or at the rate of 48·9 per cent. If ever there was a time when the government, in the interests of the people as a whole, should be reducing its controllable expenditures, surely it is now. Do they say it cannot be done? I call as a witness Senator Crerar, a former member of this house and an experienced parliamentarian. Speaking on this question a few months ago he stated that, with fair application, and without in any way diminishing necessary services, the government of this country could reduce its controllable expenditures by $500 million. That is a statement by a statesman who sat in this house.

Mr. Abbott: I should like to have him in my department.

Mr. Diefenbaker: He sat with my hon. friends opposite and was a member of the cabinet to which certain of my hon. friends belonged, between 1935 and 1944.

Mr. Abbott: He is now translated to a higher sphere.

Mr. Diefenbaker: Recently there have been a great many translations.

Mr. Graydon: He cramped their style.

Mr. Diefenbaker: May I say that there will be some more translations when the next election comes around.

Mr. Mutch: Those on this side have a chance; those on the other side have not.

Mr. Diefenbaker: We are all feeling in good humour tonight, Mr. Speaker, and we shall not become annoyed.

Mr. Garson: Will my hon. friend permit a question?

Mr. Diefenbaker: I will take the question now.

Mr. Garson: Does my hon. friend agree with the view that expenditure can be reduced by $500 million? If so, will he tell us in what departments.

Mr. Deputy Speaker: Order. The question before the house is with regard to the continuance of certain orders and regulations of the governor in council. I am just wondering how this discussion and the question which has been asked relate to the resolution under consideration.

Mr. Diefenbaker: Your ruling is a correct one, Mr. Speaker. I cannot go into all the particulars—

Mr. Knowles: Saved by a ruling.

An hon. Member: Saved by the bell.

Mr. Diefenbaker: I suggest to my hon. friend that he interview the former member of the cabinet to which he now belongs.

Mr. Garson: I was asking the hon. member for Lake Centre (Mr. Diefenbaker) what he thought.

Mr. Diefenbaker: An hon. member to my left says, saved by a ruling. To him and those connected with him I say that the government can always expect to be saved by support from that direction.

Mr. Gardiner: Saved by regulation.

Mr. Deputy Speaker: Order.

Mr. Diefenbaker: You asked a proper question, Mr. Speaker, as to the relationship of this discussion to the matter under consideration. At the moment I am dealing with the question of prices, and what measures could be taken with regard to them. The first is the expansion of production by the reduction in income taxation as well as the increase in the exemption. All that the government has done is to make the income tax form brief. What the government must do is to make the income taxation briefer than it is. In the second place, as to a direct method of reducing prices, remove the 25 per cent tax on so-called luxury goods, which bears down upon the jewelry businesses of this country. Many of the things that are taxed in this connection are necessities, not luxuries. It results in the price paid by consumers being increased by 25 per cent. It is discriminatory. A reduction in that tax would reduce prices to the consumer on many items.

Another thing that could be done is to reduce the sales tax. As to such reduction, nothing has yet been said or even suggested.

As to the jewelers' tax, apparently the first major leak in the coming budget has taken place within the last two days. You will remember, Mr. Speaker, that for some months a jeweler in Pembroke, acting as the modern John Hampden, opposed the taxation imposed by this government. John Hampden finally landed in custody, and the modern John Hampden finally decided to keep out of custody by an apparent promise made by the government that the tax in question would be removed or be reduced in the coming budget.

Mr. McCann: Who said that?

Mr. Abbott: Will my hon. friend permit a question?

Mr. Diefenbaker: Yes.

Mr. Abbott: Does my hon. friend know that such a promise was made?

Mr. McCann: It does not make any difference.

Mr. Abbott: I am just interested.

Mr. Diefenbaker: All I know is what the modern John Hampden said.

Mr. Abbott: Oh, oh.

Mr. McCann: His name was Simpson.

Mr. Diefenbaker: The minister is well acquainted with the case. In answer to the Minister of Finance, I would say this. All I know is that within the last two days, following a recent caucus, the rumour throughout this building has been that income taxation must be reduced in the interests of the salvation of the government, and the reduction would include this taxation on jewelers.

Mr. Howe: Was that the Wednesday night caucus the hon. member speaks of?

Mr. Diefenbaker: I do not know anything about the caucus to which my right hon. friend refers. He may have been at one that night that he does not know anything about. I was not.

Mr. Gardiner: The hon. member should know more about his own caucuses.

Mr. Deputy Speaker: Order.

Mr. Diefenbaker: I wish now to refer to the maintenance of control upon farmers' prices while at the same time permitting a removal of most controls on the prices of the things which the farmer purchases. Now I shall get some support from the Minister of Justice (Mr. Garson) in this connection.

Mr. Ross (Souris): Provided it is the right day.

Mr. Diefenbaker: He is one who will agree with me in this. Having recently been in a position of responsibility in Manitoba, he realizes that one of the major criticisms made by the farmers is that their prices have been controlled while the prices of things they must purchase have not been controlled, in general, since the war. I know he cannot disagree with that because on March 25, 1948, he wrote to the Minister of Trade and Commerce a letter in which he pointed this out. I know that the western farmer will now have an ally, and that the minister will see to it that something is done to place the farmer in a position where he is not caught between a ceiling on his prices and an ever-rising cost of commodities which he is required to buy.

[Mr. McCann.]

In the letter the hon. gentleman said:

> At this point may we ask the question, "what other products of Canada, either primary or secondary, is the government going to fix the price of and leave the burden of carrying the difference between the government price and the market price upon the producers of these products?"

In these words the Minister of Justice (Mr. Garson) expresses exactly the view that was expressed by the former leader of this party, now the hon. member for Neepawa (Mr. Bracken), by the hon. member for Souris (Mr. Ross), and by the hon. member for Portage la Prairie (Mr. Miller). Then he went on to say:

> If this is a good policy for wheat and pork and beef and poultry products, and now oats and barley, why is it not a good policy for copper, newsprint, fish, tractors and farm implements?

I suggest that the Minister of Justice communicate his ideas in this connection to the Minister of Finance (Mr. Abbott) and to the Minister of Trade and Commerce (Mr. Howe), and that he at least secure from the government of which he is now a member a policy in keeping with the views which he expressed in the letter of March 25, 1948. He refers to another matter which is another reason why the farmer objects to this government's policy. His first objection is to the discriminatory nature of the income tax in its application to agriculture. His next objection is that there is a controlled price of his products; or, as my hon. friend said in a letter to the Minister of Trade and Commerce, the government having fixed a political price for his products, he finds himself faced with lower net returns because of the ever-rising cost of the things he has to purchase. My hon. friend said, on page 5 of the letter:

> If in the interests of national policy and for the Canadian people as a whole, the price of oats and barley is set at a level which is less than would otherwise be available, and it is not the intention under your legislation to have the whole Canadian people make up the difference between these two prices, by what arguments do you and can we justify this course?

In these words my hon. friend expressed the views of farmers generally throughout western Canada and throughout the whole country. There is a widespread demand by all our people for a reduction in taxation. There is a widespread demand by farmers of this country, without whose prosperity there can be no prosperity, for a reduction in taxation. Wheat agreements have been made at prices lower than world prices and the farmers should not be required to pay the difference between world prices and the price fixed in these agreements.

I am going to pass on to another phase of this particular resolution. The house is entitled to all the orders in council passed

during the last year, either under this act or pursuant to the powers contained in this act. Yesterday I mentioned an illegal order in council, and the Prime Minister (Mr. St. Laurent) said there were no illegal orders in council. There is one decided to be such in the judgment of Nolan *v.* Hallet and Carey, which declared that it was beyond the powers of the government to pass an order in council beyond the powers contained in the act.

I should like the minister to lay on the table of the house the orders in council which have been passed since January 1, 1948, to date under this act or under the powers contained in this act which have not yet been published in the *Canada Gazette* or tabled in the House of Commons.

Mr. Abbott: There are none.

Mr. Diefenbaker: I should like him to set forth the particulars of the regulations passed within the last year under the powers contained in the act which parliament passed last year. We have a right to expect that, when there are extraordinary powers such as have been granted under this act, the orders in council issued thereunder should be placed before parliament, and when they are important ones they should also be published in the *Canada Gazette* so that the country as a whole may know what laws are being passed.

If order-in-council government is still being continued in extraordinary measure we should know it. I am not talking about the legitimate use of order in council; I am speaking about abuses under order in council. I can refer to several which must have been passed under the extraordinary powers of this act, which are not justified, and which should not have been passed. One is referred to in the Public Accounts of 1948 which is wholly unjustifiable. We have had orders in council reducing interest rates on annuities and adjusting rates upwards under a statute passed by parliament. We have had orders in council passed changing the customs tariff. When the powers were granted to the government to do that, representation was made at the time by the then Minister of Finance that they would not be used without consulting parliament. The culmination of order in council is referred to on page 4 of the auditor general's report. Under section 9 of the auditor general's report appears one of the most flagrant abuses in the use of order in council by this government. I realize it has a long record in the uses to which orders in council have been put. We have had the introduction of taxation without an order in council. We have legislation under the Aeronautics Act, a statute passed by parliament, and evaded by order in council.

Mr. Howe: What is that?

Mr. Diefenbaker: That is the order passed under that act which my hon. friend made whereby private companies were not required to give up their flying contracts, or rights, or whatever you wish to term it, although parliament had passed legislation that they must do so.

Mr. Abbott: I never like to interrupt my hon. friend, but what have orders in council which have been passed under the Aeronautics Act to do with a resolution preceding a bill concerning emergency regulations? I think we should stick to the matter before the house. My hon. friend frequently makes speeches on the alleged abuses of government by order in council. I have no doubt that during this session he will make at least a dozen others. I do not think this is the legislation under which to make them.

Mr. Diefenbaker: I was pointing out that these were intermediate stages, but the culmination finally came in 1948. My hon. friend says that I can make ten speeches on the abuses of order in council. I can—I can do that without referring to the same order in council in any one of the speeches. The culmination came in 1948 with a government spending away beyond anything ever spent by any other government in peacetime, in so far as controllable expenditures are concerned. And finally, in 1948, there was a sum of $689,967, which had been voted by parliament and would at the end of March, 1948, have lapsed, it being an unused balance. The Department of National Defence, so that it would not lose that expenditure, advanced it to certain corporations, so that they could spend it in the coming year. How serious that is is set out in the auditor general's report where it says this—

Mr. Abbott: I have allowed my hon. friend to state what the order in council is. But it has absolutely nothing to do with the resolution which we are considering. It is in the auditor general's report. I would ask for a ruling that we stick to the resolution we are discussing.

Mr. Deputy Speaker: I understood the hon. member for Lake Centre to say that it was an order in council passed under the act now before the house for reconsideration. But, from what he has read, I do not think the order in council comes under that act.

Mr. Diefenbaker: Mr. Speaker, if I might say so, there is no justification for the course taken and there was no power in the government to act as it did except under the transitional powers act. The Auditor General, with regard to this, says:

> None of the orders in council cites any authority on which reliance is placed to give directions to pay in advance.

It means that either the transitional powers act was used, or an order in council has been passed—

Mr. Abbott: I ask my hon. friend to stay within the rules. He knows, or he should know, that there is no power under the transitional powers act of 1947 to pass new orders in council.

Mr. Howe: I think we ought to have a ruling, Mr. Speaker.

Mr. Deputy Speaker: Order. I think the hon. member for Lake Centre (Mr. Diefenbaker) is aware that he cannot discuss orders in council generally. He was endeavouring to relate those expenditures to orders in council under the transitional powers act. But the Minister of Finance has pointed out that those orders in council cannot possibly have been passed under that act, and I would ask the hon. member not to continue with that point.

Mr. Knowles: There is no authority for it at all. That is the trouble with it.

Mr. Diefenbaker: Then, Mr. Speaker, if what my hon. friend says be correct, because he is a member of the government, there is no justification—

Mr. Howe: That is a deliberate insult to the presiding officer in this assembly.

Mr. Deputy Speaker: Let the hon. member proceed.

Mr. Graydon: Let the presiding officer speak for himself.

Mr. Diefenbaker: You know, Mr. Speaker, that any insults in parliament do not come from me. My right hon. friend has too great a capacity for that. In view of these extraordinary powers, parliament has a right to know how they will be used. My hon. friend the Minister of Finance says that the only justification they have for passing orders in council is within the narrow ambit of the undertaking given by him last year when the bill was introduced. I say to him that within the last year orders in council have been passed which we in this parliament do not yet know about, and which have not been published.

Mr. Deputy Speaker: Would the hon. member state under what statute they have been passed? Is the hon. member suggesting that they have been passed under the transitional powers act? If not, I do not think he should continue with it.

Mr. Diefenbaker: I think, sir, the minister should be able to tell us whether they were passed under the transitional powers act, or without any authority at all. Now there has been progressive—

Mr. Grant: Conservative.

Mr. Diefenbaker: —and continuing action on the part of this government in passing, under this legislation, orders in council which have not been justified under the legislation, as was stated by Mr. Chief Justice Williams, in the case to which I have referred—orders in council with sweeping powers over the economic life of the nation. In the use of those sweeping powers parliament has a right to demand, before this resolution is passed, that each and every order in council that will be passed under this legislation shall be made known to the House of Commons, to the end that the act will not be used during the next year for the passing of orders in council which are not justified, and which do not come within the provisions of the legislation passed by this parliament.

I am going to be frank and say that there has been a reduction during the last year in the numbers of orders in council passed under this legislation. There is room for a greater reduction in those numbers. We in parliament have a right to demand that orders in council used for legislative purposes shall not become the law of this country, unless parliament knows what such orders in council are and is assured that orders in council, whether secret or not, shall not be kept from the public gaze until, as a result of investigation, they are brought to light.

Mr. Arthur Williams (Ontario): Mr. Speaker, the resolution before the house has to do with the continuation of certain controls. Right at the outset I want to say that, speaking for myself at any rate, not only am I in favour of continuing controls but I am also in favour of enlarging their scope.

I hope what I have said will be noted by friends to my left, because this afternoon quite a play was made of the fact that we had not spoken so much about controls. We talk a good deal about controls whenever the opportunity arises; and I am certain we are talking the language of the people of this country. Because one thing which confronts them more than anything else is the free rein given to this noble free enterprise, to run high, wide and handsome in the field of establishing prices.

I should like to see some check put on the activities of people who are inclined to be so very irresponsible. I cannot quite understand why a man like the hon. member for Lake Centre (Mr. Diefenbaker), a very nice and very intelligent fellow—

Mr. Howe: The first kind words you ever got.

Mr. Williams: —should prostitute his intelligence by subscribing to a philosophy of the kind to which he subscribes. Harsh but true. The truth is always harsh.

An hon. Member: What philosophy does the hon. member follow?

Mr. Williams: At the moment, the philosophy of socialism which I am here in the House of Commons partly to expound.

Mr. Ross (Souris): Where is the other part?

Mr. Williams: Apart from expounding the philosophy of socialism in the house I feel that I should also direct attention to the needs of the people outside. That is the other part.

Mr. Smith (Calgary West): The mine mill and smelter workers' philosophy.

Mr. Deputy Speaker: I think the hon. member for Lake Centre found the house in good humour tonight when he was making his remarks, but I do not think hon. members should interrupt unduly the member who has the floor. I ask hon. members to permit the hon. member for Ontario to proceed without interruption.

Mr. Williams: Thank you very much. I am sorry the hon. member for Calgary West has just left the chamber.

An hon. Member: He is coming back.

Mr. Williams: The hon. member made an interjection a moment ago to the effect that I had some connection, or at least he implied that I had some connection, with a union known as the united mine mill and smelter workers. I want to correct that and inform the house that in all my union activities I have never belonged to the united mine mill and smelters workers union.

An hon. Member: What does the hon. member have against them?

Mr. Williams: For the benefit of the hon. member for Calgary West and perhaps others who may be similarly mistaken in their designation of the union to which I belong, may I say that I belong to district 50, united mine workers of America. That union has in its constitution the provision that no communist can belong to or hold office in the union.

The reason I referred to the hon. member for Lake Centre was that I felt that if he faced up to the real fact about the wild spree that has occurred in the increasing cost of living he could not with his intelligence maintain the point of view he does. To me it is a simple question. Controls were on during the war and in that period the cost of living went up only 18·6 points. When the controls were taken off, the cost of living went up 39·5 points.

Mr. Fraser: Subsidies were taken off at the same time.

Mr. Williams: During the whole period of the war the cost of living rose just 18·6 points because controls were on; during the brief period of four years since the war ended the cost of living has gone up twice as much as it did during the war period. If the cost of living could be arrested so effectively during the period of the war, surely it is evident that if controls had been maintained since the war the cost of living would not have soared to its present high point.

That is the kind of thing that causes a great deal of worry among the people. I am certain that if any party attempted to deal with that particular problem strongly, effectively and boldly it would have the wholehearted support of the people in the country. After all, the people in the country are concerned only about the simple things such as the cost of living. I am certain they are not particularly interested in how that is effected, whether it is by some adjustment in the income tax or sales tax or by rolling back prices and putting on ceilings. All that they ask is that there be some arresting factor.

They have asked for a housing program and a health program. Their requirements are simple. Some hon. member said that the subsidies were taken off. This afternoon I listened with no great degree of pleasure to the remarks of the hon. member for Peace River (Mr. Low). An interjection was made earlier to the effect that I was harsh. I am of old country stock with relatives still in that country and I want to say that what the hon. member for Peace River said was harsher than anything I have ever heard. Is the Britain that we heard about this afternoon the same Britain about which we spoke so glowingly a few years ago?

An hon. Member: A different government.

Mr. MacInnis: A better government.

Mr. Williams: I should like to quote from a publication of the United Kingdom information bureau.

Mr. Lennard: When was it published?

Mr. Williams: In 1947, but the conditions to which these particular parts I am going to quote refer are probably the same now as they were then. This is entitled "Fifty Facts About Britain's Economic Position." I am going to start at No. 20 and I will tell hon. members that I am not going to read up to No. 50.

Some hon. Members: Oh, oh.

Mr. Williams: I do not think hon. members would laugh about a matter of this kind if they understood the character of the sacrifice made by these people.

Mr. Lennard: We certainly are not laughing at the contents of the book because the hon. member has not read it yet.

Mr. Williams: Starting with No. 20 it says:

20. Before the war, half the cost of Britain's vast imports was covered by income from shipping and overseas investments, and only the remaining half had to be paid for by exports. Britain's shipping and investment losses during the war have thus created a heavy burden.

21. More than half of Britain's pre-war merchant shipping was sunk during the war. Even with new building and acquisitions, Britain was left at the end of the war with sixteen million tons of merchant shipping, compared with twenty-two million tons before the war.

22. Despite lend-lease, Britain had to sell overseas investments to the value of $4,500 million to help finance her war effort. In addition, she acquired new indebtedness during the war amounting to $11,500 million. This, together with losses of gold and dollar reserves, brought her total wartime losses overseas to $17,000 million.

No. 23 and No. 24 are along the same lines, indicating the sacrifices that Britain made. There is no reference in this book to the other sacrifices that she made that cannot be measured in dollars and cents, the terrors of her people during the air raids, the destruction of property and the loss of human life. It was Great Britain, more than any other nation on the earth, that saved the civilization of the world. Apparently it is expected that in the short period of four years since the war Great Britain should have rehabilitated herself completely. As the hon. member for Peace River (Mr. Low) said, she had a terrific burden to bear in regard to food. How sneeringly he referred to the sausage. Frankly I do not like the sausage in Canada either. I do not like sausage whether it is British or Canadian.

An hon. Member: Why condemn it then?

Mr. Williams: Because I do not like it.

Mr. Grant: Do you like bologna?

Mr. Williams: No, I shall let you enjoy that.

Mr. Sinclair: We are all laughing.

Mr. Reid: He is not enjoying it.

Mr. Williams: During the period when Great Britain has been trying to rehabilitate herself she has done things that have never been done before. It has cost a lot of money, but the people of Great Britain have gladly accepted the burden. Let anybody in this parliament, or in any other parliament of Canada, tell me where they can get a social security program such as they have in the old country for four and eleven pence a week, about $1.25. What do they get for it? Complete sickness benefits, maternity benefits, maternity grants, maternity allowances, attendance allowances, widows' benefits, unemployment benefits, guardians' allowances, retirement pensions, industrial injury benefits. They get all those things. It is not enough to measure how much a people pay without taking into consideration what they get for it. Here in Canada, for example, a little child buys a chocolate bar, and it is dearer now than it used to be. It would not be so bad if the child was getting the same size chocolate bar.

Mr. Reid: They will not suffer.

Mr. Williams: But the children are soaked by the higher price, and then the manufacturer soaks them again by making a smaller chocolate bar.

Mr. Reid: A smaller bar is good for the children. It is good for their health.

Mr. Williams: I shall let my hon. friend deal with that particular phase.

Mr. Reid: I will take you up on that any time. You cannot deny that.

Mr. Deputy Speaker: Order.

Mr. Reid: It is better for the health of the child. I defy any man to disprove that.

Mr. Williams: I did not hear a word the hon. member said.

Mr. Reid: I will say it again. The hon. member did not want to hear it.

Mr. Deputy Speaker: Order. Hon. members are aware that they may ask questions of the member who has the floor only with his consent. It is improper for an hon. member to sit in his seat and ask questions.

Mr. Williams: Mr. Speaker, I am rather surprised at the hon. member for New Westminster (Mr. Reid). Just the other day I heard him speak in the house, and one of the points he made was that he remained quiet and listened most attentively to whatever was being said.

Mr. Reid: But when such palpable untruths are being uttered I must interrupt. I am compelled to.

Mr. Williams: What I have quoted from is the booklet that was distributed in Great Britain by the ministry to all participants in the social security plan.

An hon. Member: That explains it.

Mr. Williams: The booklet was for the purpose of explaining the plan to the beneficiaries.

Mr. Gardiner: Most of those things started under Lloyd George.

Mr. Williams: To me that is the picture of Great Britain as I know it. I knew it when it was much different. This great system which you support, and to which you would like to return—

Mr. Ferguson: It was good enough for you to come to.

Mr. Williams: You would like to see all other avenues closed, and you ruling the roost. There was a time when you did.

Mr. Smith (Calgary West): There were no emergency powers then.

Mr. MacInnis: There were emergencies.

Mr. Williams: During that particular time the condition of the people was a lot worse than it is now. Great Britain is being criticized most harshly in some quarters, but I can remember that until the nationalization of the mines quite recently the Duke of Northumberland—

An hon. Member: A Tory.

Mr. Williams: And how he was a Tory! He drew, by way of royalties from the mining industry, 24 shillings every minute of every day of the year whether he was awake or asleep, well or ill. There was a railway line which ran for about twelve miles from my own home in Wales. It was known as the Golden Mile, and the great lord got four pence for every ton of freight that passed over the line.

Mr. Deputy Speaker: Order. I think I should remind the hon. member that the resolution under consideration has to do with the continuance of certain orders and regulations. I would ask him to direct his remarks more strictly to the resolution.

Mr. Williams: I am making certain points in explanation of the situation in Great Britain which was dealt with by the hon. member for Peace River.

Mr. Deputy Speaker: I understood the hon. member for Peace River was blaming controls for the conditions which now exist in Great Britain. He was not stopped, and I am not stopping the hon. member if he is explaining the controls in Great Britain.

Mr. Williams: With very great deference to you, Mr. Speaker, I think that my remarks are pertinent to the question, because I am endeavouring to show, dealing with the points raised by the member for Peace River, what happens when there are no controls. There were none at all in Great Britain in those days. Certain people carried on without any obstruction, and had it all their own way. It is because of such consequences that governments have had to step in to protect the people, and I am quite satisfied they will have to step in in Canada more than they have already. There are people running wild in this country who believe in the philosophy of buying for as little as they can and selling for as much as they can. That is precisely what has caused the present high cost of living. It was necessary to stop it during the war and it is necessary to stop it now.

The other day I heard the hon. member for Peace River quote St. Paul. It is true that at that time the subject of debate was the British North America Act. The words he quoted appear at page 578 of *Hansard* of February 15, and read as follows:

> Stand fast, therefore, in the liberty wherewith Christ hath made us free, and be not entangled again with the yoke of bondage.

This was a very fine quotation, Mr. Speaker, but it is important to know to what St. Paul was referring when he spoke of bondage. This quotation was from the first verse. At any rate, in that particular address, St. Paul was exhorting the Galatians on the subject of circumcision. During the course of further remarks made by the hon. member for Peace River today, he chided my leader for some reference he made the other day to social objectives because he did not use the word planning. He went on to say that we in this group do not talk so much now about planning and controls. Even as St. Paul made other speeches, Mr. Speaker, we have made other speeches. We did not put all our eggs in the one basket. Mr. Speaker, I do not want to go beyond my time.

Some hon. Members: Go ahead.

Mr. Williams: We still believe in planning and we will continue to talk about those things we believe it necessary to mention. We will continue to talk about them wherever we are because we think, and personally I believe we think rightly, that those are the things of vital concern to the people.

May I come back quite seriously to this particular question? So far as I am concerned, I would say to anyone who quotes the scriptures that what I heard this afternoon was so low that it beats anything I have ever heard before. I should like to tell you what St. Paul said when he addressed the Corinthians.

> Therefore seeing we have this ministry, as we have received mercy, we faint not;
>
> But have renounced the hidden things of dishonesty, not walking in craftiness, nor handling the word of God deceitfully; but by manifestation of the truth commending ourselves to every man's conscience in the sight of God.

I should like to use that particular approach. All the people are asking is some degree of decency. They are not asking for twenty-four shillings a minute; they are not asking to

own a city; they are not asking to own big factories. They are asking for these simple things. I am very certain that, if this government not merely did what is contained in this resolution but enlarged its scope, it would receive the blessing of the people. I hope it will seriously consider doing this.

Mr. D. S. Harkness (Calgary East): I trust, Mr. Speaker, I shall speak with a bit more circumspection than the last speaker. I shall therefore leave St. Paul and all the rest of them out of it. The debate on this question has been generally related to the increased cost of living, and price control. Last year, the government appointed a special committee of this house to investigate the cause of the increase in prices and, allegedly, to try to find some cure for it. The reason for the appointment of this special committee was the fact that, at this time last year, prices were rising rapidly and had been doing so for some time. There was widespread alarm throughout the country on that account. The uproar was so great, the government felt compelled to do something to quieten it. As a result, the committee was appointed.

This committee was appointed, however, with power only to inquire and report back to the house. It did not have the power to recommend any action to the house. In other words, all the committee could do was to call witnesses, and it did call them for an interminable length of time. Eventually, the evidence ran to thousands of pages. For my sins I had to sit on that committee, and I became very tired of the futility of it. So far as I could see, it accomplished nothing. I now see, however, that it did accomplish one thing. It put on the record a great mass of evidence in connection with the reasons for the rise in prices during the past two or three years. It also put on the record a great deal of factual information as to the actual profits which producers, wholesalers, retailers and processors procured, particularly in connection with food products. As far as I can see, that is the only useful thing the committee did because it provides us at the present time with information which totally discredits the position taken by the C.C.F., and disproves many of their most-used arguments.

I regret as much as anyone the steep increase which has taken place in the cost of living. Particularly do I regret the hardships which, because of that fact, have been imposed upon people with small pension incomes; the so-called white-collar workers whose salaries, in a large number of cases, have not been increased to any great extent; the old age pensioners and the war pensioners of one kind and another. Their plight has been rendered really desperate in many cases by the steep rise in the cost of living. I also regret the false picture put out in connection with the causes for the increase in the cost of living by the members of the C.C.F. in this house and throughout the country. They are at the same game they played last year, of trying to discredit the free enterprise system.

Mr. McCullough (Assiniboia): It is discredited.

Mr. Harkness: They have been trying to do that by attempting to sell to the country the idea that the rise in the cost of living has been chiefly due to the enormous profits secured by companies and businessmen across Canada.

Mr. Knowles: Is that not right?

Mr. Harkness: It is absolutely not right. This special committee sat for several months last year, and none of the evidence placed before it would in any way support the contention of the C.C.F. in this regard.

Some hon. Members: Oh, oh.

Mr. Knowles: Now who is defending the government?

Mr. Harkness: In no industry which we investigated did the evidence show that the rise in prices has been due, in any appreciable degree whatever, to enormous profits.

Mr. Thatcher: I should like to ask a question of the hon. member. When he makes a statement of that kind, I wonder if he read the evidence placed before the committee.

Mr. Harkness: I heard the evidence. I am sorry to say I had to sit there and listen to it month after month, in addition to reading it afterwards.

Mr. Thatcher: I should like to ask the hon. member another question.

Mr. Lennard: Make your own speech.

Mr. Harkness: If the question is a reasonable and sensible one, I shall be only too glad to try to answer it.

Mr. Sinclair: That is a challenge.

Mr. Thatcher: Does the hon. member recall the evidence given by Canadian Industries Limited to the effect that in 1947 profits were about $1 million and the total wages for the whole factory, including executives, were only $957,000?

Mr. Harkness: I must protest, Mr. Speaker, against the hon. member asking permission to ask a question and then attempting to make a speech.

Mr. Thatcher: I asked the hon. member if he remembered that.

Mr. Harkness: I remember the evidence quite well, and in the course of my remarks I shall deal with statements of that kind which members of the C.C.F. are so fond of making. The only thing of that kind that the evidence before the committee showed was a few gouges on the part of some fruit and vegetable men in Toronto, I think it was.

An hon. Member: Shame.

Mr. Harkness: And the undue profits they took on those few occasions were possible because the government imposed import restrictions at that particular time and thus provided the background which enabled those people to gouge the public in that way. As I say, there were few instances of that kind of thing. Apart from that, there was no instance in which it was shown that anything that might be called undue, unjust or enormous profits had been made.

The leader of the C.C.F. party and his followers are fond of quoting percentages of the increase in profits of some companies, and attempting by that means to show that most of the increase in the cost of living has been due to this big increase in company profits. As anyone with any knowledge knows, of course—and the leader of the C.C.F. knows it as well as I do—the quoting of percentages does not present a true picture of how a company is doing, of what profits actually were made, and whether the profits were just or unjust. To take an extreme case, you might have a company with a turnover of $1 million. If it made a profit of only $100 in one year, and in the following year made a profit of $1,000, the increase is 1,000 per cent, but the profit may still be extremely small.

Mr. McCullough (Assiniboia): It is not companies like that about which we are talking.

Mr. Harkness: I object to this business of using percentages or lump figures and saying, as the hon. member for Moose Jaw (Mr. Thatcher) said a moment ago: Did you know that this company made $1 million last year? It may have made $1 million, but $1 million may still be a relatively small profit, and a just one, in comparison with the amount of business done.

Mr. Thatcher: When they paid out only $957,000 in wages?

Mr. Lennard: Make your own speech later.

Mr. Harkness: In the prices committee last year, as a matter of fact, the hon. member for Moose Jaw was fond of attacking the packers—I have heard various members of the C.C.F. doing the same thing since—and talking about the enormous profits made by the packers, which they say is a terrible thing. On the one hand they were trying to represent to the farmers that the packers were squeezing them to the last cent with regard to the prices paid for livestock, and on the other hand telling the consumer that they were paying high prices because the packers were making such enormous profits. The evidence before this committee—and it worked on the packers for a long time—was to the effect that the three major packing companies in Canada made a profit ranging from one-seventh of a cent to one-fifth of a cent a pound during the last ten to fifteen years.

Mr. Stewart (Winnipeg North): What did they make on capital investment?

Mr. Sinclair: What did they make on butter last year?

An hon. Member: And on meat?

Mr. Harkness: If the members of the C.C.F. desire to present an honest picture to the country, they will go out and tell the housewives that if the packers made no profits at all they would save one cent every time they bought a seven-pound roast of beef. I do not think they will find many housewives who will vote for them if they tell them that, but it is true.

Mrs. Strum: Why tell them that, then?

Mr. Harkness: In my opinion, it is not intellectually honest to quote these percentages, bulk figures and so on, and thereby attempt to sell to the general public the idea that the reason prices have gone up so much, that people are paying so much for meat, or for this, that or the other thing, is that this, that or the other company is making an enormous profit. That just is not the case, as is shown by the evidence before that prices committee.

Mr. McCullough (Assiniboia): May I ask the hon. member a question in a kindly way? Would he tell the house—

Mr. Lennard: Wait till he says whether he will permit the question.

Mr. Harkness: I am quite happy to have the question.

Mr. McCullough (Assiniboia): Will the hon. member tell the house how much the packing houses made last year on butter? I have reference to the three major packing houses.

Mr. Harkness: The matter is not particularly germane to the discussion, but one packing company really made quite a large profit in butter last year. I think it was around half a million dollars.

Mr. Sinclair: But it cut the price of margarine this year.

An hon. Member: Just ten cents.

Mr. Ross (Souris): It is peanuts compared to the margarine profit.

Mr. Harkness: Their total profit on butter over the last ten or fifteen years was negligible. If they had not made that profit last year, they would have been well in the hole on butter on the ten to fifteen years' operations. If you look for evidence of that last year you will find it. Just look it up. I do not want members of the C.C.F. party to rise in their places in this house and go around the country and say that I am a great defender of the packers. I have no particular love for the packers. I am one of those who have to sell all of their farm products to the packers. I am one of the very people whom the C.C.F. are always trying to persuade that they are badly done by these packers. I want it clearly understood that any axe that I have to grind is to cut down the profits of the packers and not to increase them. I certainly want as much for my livestock as I can get, but I do think that these things should be presented in an honest way. It is popular to attack the big fellow, the big packing house. If you kick him everybody likes it; it is very popular, but it is not intellectually honest to do it in the way in which it has been done.

The best evidence that the special committee on prices was given last year as to the reason for the price increases was from Mr. Taylor, the chairman of the wartime prices and trade board, and from Mr. Graham Towers, the governor of the Bank of Canada. The evidence that they gave was that the rise in prices was caused first of all by the general world shortage of goods which of course caused a great increase in the world level of prices, and it was impossible to isolate Canada completely from that price increase. Our price levels had to come up to them to some extent. The second reason was the increase in the amount of money in circulation. The amount of money in circulation in this country has increased greatly from 1939 to the present time, and that has created an inflationary pressure. The third reason was the rising costs of production and factors of that kind. Another important factor which these witnesses were not allowed to give evidence on was the high level of taxation. Since it was a political question, they had to refrain from giving evidence on that. But that is one of the main reasons for the high price of many goods which people have to buy at the present time. I am not going to emphasize this particularly, but I hold in my hand a letter which I received today, and which illustrates how prices are increased by taxes. This letter comes from a man who is trying to build up an importing business in Calgary. He sent to the old country for a trial shipment of some small goods which he thought it might be possible to sell there as a test. He says:

> There has been a considerable amount of complaint lately in the press that one of the reasons we were not able to handle more English goods was because of the excessive prices charged by the British manufacturers. British prices are high, but let me give you the dope on this small shipment. I have an extra invoice so I am attaching it.

He gave me the invoice. The goods he bought were shoeshine goods and pocket sets, combs and manicure sets and so forth. They cost him, including postage and packing, £3·1·10, which is just over $12. Here is what he had to pay in taxes before he could get the goods out of the customs house: Duty 12½ per cent; sales tax, 8 per cent; excise tax, 35 per cent; customs brokerage, 75 cents, making a total of $8.62. His cost price, including other charges, amounted to just over $12. The duty, taxes and so forth on these goods came to $8.62. With wholesale and retail markups added to that, it would mean an increase in price on these goods of at least $12.

Examples of this sort of thing could be multiplied endlessly. There is no doubt that in a large number of cases the cost of goods is from one half to double what they would be were it not for the numerous taxes imposed. One of the chief ways in which we can get a reduction in the cost of living, one of the reasonable ways in which we can do it, one of the practical ways, is to reduce these taxes.

I should like to read some of the evidence given by Mr. Taylor and by Mr. Towers before the prices committee as to the actual cause of the increase in prices, and put it up against the nonsense put out by the C.C.F. as to the causes of the increase in prices. This evidence of Mr. Taylor can be found in the first copy of the minutes and proceedings of the special committee on prices last year. He said:

> But I think it is important at the outset to underline the fact that prices have been rising steadily and rapidly all over the world for the past eighteen or twenty months.

He gave a lot of examples following that to back up his statement. He says:

> I emphasize these facts,—

That is, of the various rises in prices throughout the world.

> —not to belittle the very real problem of rising prices here in Canada, but to suggest to the committee that while there may well be remediable internal or domestic influences pushing or drawing prices upward, I do not think you will find all or even a major part of the explanation of this problem within the boundaries of our own country.

Mr. Taylor went on to give in great detail his considered opinion of the reasons why prices had risen. He mentioned first general world shortages of goods of all kinds, particularly food products; secondly, he went to some extent into the increases in the amount of money in circulation; in other words, the amount of currency inflation which had taken place. Then he went on to say:

The third general factor in the present world price situation is one which I approach with some diffidence. It is the large amount of buying and selling through direct or indirect government agencies that is going on all over the world. Let me say at once that there can be and are many socially desirable aspects to government bulk purchasing and selling, but there are also very real dangers of inefficiency, instability and unduly high prices.

I should like to call your attention to that particularly, Mr. Speaker. In other words, Mr. Taylor's opinion was that, of the general factors causing price increase, bulk buying and selling by governments was one. I think the amount of bulk purchasing and bulk selling, and so forth, which has been done by this government is one of the reasons why the farmers on the one hand have received as little as they have, and the purchaser or consumer on the other hand has had to pay as much as he has had to pay. When you get into state trading, bulk purchasing and so forth, as this witness said, there are very real dangers of inefficiency, instability and unduly high prices, and we have had that. Mr. Taylor went into more specific factors bearing directly on the Canadian price structure. He said:

First, the cost of imports. Canada cannot control the prices of things we have to import, and many of our imports are of really essential importance to our economy. The prices of many of our basic imports have been rising at extraordinary rates during the past two years.

Then he takes a number of examples, including petroleum, vegetable oils, hides, cocoa beans, and so on, which I shall not discuss in detail. Then he continues:

Secondly, external prices largely determine the prices of our principal export commodities. The recent sharp increase in pork prices was directly related to the new and higher export price. Base metals are another striking example.

Then he goes into the various other examples of how external prices have forced up our prices, because we are exporting those commodities. Mr. Taylor says:

The Canadian prices of all these things, and indeed the whole Canadian price level, could not be insulated from these external forces except by an elaborate and continuing system of export controls by licence and permit or by a government monopoly of the selling; and by a very complicated system of import subsidies and import allocations, and government monopoly of the buying.

Well, of course, that is exactly what the socialists want. They want government monopoly of buying. They want to have everything run by licence, by permit and government monopoly in connection with selling, and so on. Naturally I can see why they are trying to sell the idea of bulk purchasing and of controls. It is by such action that there can be fastened on this country a socialistic system which later on we would find it extraordinarily difficult to get rid of. Mr. Taylor went on to say:

Thirdly, there are the primarily internal factors affecting prices.

Almost all costs of production have gone up. There are a great many elements in any cost of production—materials, labour, administration, selling and fixed overhead. I have already referred to the costs of materials. Labour costs have gone up, how much it is very hard to say.

Then he goes on with the rest of these things. Those, essentially, are the reasons of a trusted economist of this government—a man in whom I think most leaders in the economic field in this country have confidence —as to the general basic reasons for the increase in the cost of living, and rising prices.

I have mentioned another important name in this connection. Mr. Graham Towers brought up an extremely interesting point in connection with prices, and I should like to read briefly what he said in that regard. No. 65 of the report of the prices committee for Friday, May 28, contains some questions by myself addressed to Mr. Towers. My questions and Mr. Towers' answers are as follows:

It seems to me that your most significant sentence is the one on page 13, "prices during 1948 will clearly depend to an important extent on grain crop prospects and harvests in western Europe and the chief exporting countries." You also mentioned yesterday the effect of crops. Would it be fair to take from that, or is it correct to take from that statement, the view that the level of prices essentially and basically depends on the relative scarcity or otherwise of food products of all kinds?

A. Not entirely but certainly food has a major influence on price level, both directly and indirectly.

Q. Would it be correct to say that is perhaps the basic determining factor in connection with prices?

A. It is a major factor.

Q. That being the case would you say there is practically no chance of prices going down throughout the world as a whole, and of course particularly here in Canada where of course we are most interested, as long as the world scarcity of food continues?

A. I think that is probably the case.

That is the thing which I wish members of the C.C.F., who do so much talking about this matter, would tell the farmers in western Canada. I am sure those farmers would be most interested to hear from them; and I am also sure that the members of the C.C.F. party will not tell it to them.

Mr. Thatcher: I am sure the hon. member wishes to be fair. Mr. Towers went ona to say

that prices might have come down if controls had been put back on.

Mr. Harkness: Mr. Towers did not.

Mr. Thatcher: I have his quotation here.

Mr. Harkness: The hon. member questioned him in connection with the matter. We then went into a discussion about controls, to which I shall refer in a moment, and concerning which I shall put on record what these gentlemen had to say.

So much for the causes given in the prices committee as to the rise in prices. I should like to say something about the constant cry of my socialist friends that controls should be reimposed to bring down prices. The evidence we had in the prices committee could be summarized by stating that this could not be done. The evidence was that the reimposition of controls could stabilize prices at their present level, and prevent their going higher; but it would not reduce them. It was not a practical proposition. It was stated, furthermore, that such an attempt to bring down prices by imposing over-all controls, or even controls to try to stabilize prices at present levels, was not workable in peacetime, that controls would need to be much more rigorous than they were during the war, and that they would lead to widespread black-markets and extraordinary difficulty in trying to maintain them. It was pointed out that the result would be either a breakdown of the controls or the imposition of what would amount to a dictatorial system of government.

I have a good deal of evidence here in connection with that matter. I do not wish to take up the time of the house to read all of it. However, I believe I should put on record some of the evidence given by Mr. Towers and Mr. Taylor in this connection. At page 3358 of the evidence the hon. member for Eglinton (Mr. Fleming) questioned Mr. Towers as follows:

Q. This morning you made the observation that when controls were applied in 1941, that was postponing the trouble. Would you mind enlarging on that observation, please?

A. That is the way it necessarily turned out; and that, of course, could have been predicted at the time by anyone who foresaw that the war would last until 1945; but it was postponing it I believe to the great benefit of the public and of the war effort. To the extent that a runaway situation was averted during those years, I am sure that our war effort was much more effective than it could otherwise have been.

And again:

What I meant by saying postponing, was that price control did hold things so stable that we could not hope in a post war period to maintain that degree of perfection. There had to be some catching up with higher costs. And, of course, there often had to be a reflection of higher prices in other countries.

[Mr. Thatcher.]

In the last annual report of the bank I have expressed this view (this will be found on page 20 of the report):

"Short of substantially appreciating its exchange rate and increasing its taxation, no country could have insulated itself completely from the world-wide rise in prices. Theoretically it might be contended that this could be done by means of direct controls, but these would have to be very much more rigorous and complete than those of wartime, to say the least."

I should like to draw this evidence given by Mr. Towers to the attention of the hon. member for Ontario (Mr. Williams), who just spoke and stated that it was only reasonable and common sense that controls which worked in wartime would work just as well in peacetime. The men who had to work on these controls and who were responsible for them to a large extent do not agree with him. Another question asked Mr. Towers was as follows:

Q. Does that add up to this: If there were an attempt made to reduce the level of prices by resort to controls would they have to be a very different type of control, very much more drastic, than those we had in wartime?

A. I would think so, yes.

I shall not bother reading what Mr. Taylor had to say because it was to the same effect. These gentlemen stated that over-all controls in a country such as this are not workable, that they can be worked only in a police state or something approximating a police state.

I should like to deal with the resolution before us more pointedly than I have in the general remarks I have been making. A bill was introduced in 1947 which contained a long list of orders in council, regulations of the governor in council and so on which were to be continued, and the little bill that we passed last year was simply a continuation. I should like to know how many of those orders in council, regulations and so forth have been done away with and what things are really to be under control after this bill is passed. We are dealing only with the resolution and we do not know in what form the bill will be, but I presume it will be similar to the one last year and provide for the continuance of these powers.

Personally I would not be so much concerned if the things to be continued were stated specifically and with no power to add to them. I should like to see them limited to the commodities and services which were mentioned by the ministers, such as rent control, steel control, timber control, priorities control and price control on certain commodities.

Mr. Garson: Where there are price ceilings.

Mr. Harkness: I think we should get rid of some of these controls. I can see no reason why a ceiling should be maintained on butter.

Margarine is now being sold and, I think, provides sufficient competition to keep the price of butter down to a level where people will not be charged unduly for it.

Mr. Gardiner: Apparently the hon. member was following the evidence given last session in connection with butter. Has he noted that there has been no such profit this year as eleven cents per pound? Does he not admit that the present controls on butter have brought that condition about?

Mr. Harkness: No, I do not admit that.

Mr. Gardiner: Is it true?

Mr. Harkness: I do not know. As a matter of fact I have not seen the report of the royal commission on prices to which I think the minister is referring, as it has not been tabled.

Mr. Gardiner: The hon. member said that according to the evidence there was a considerable profit on butter last year. There is no such profit this year as a result of what has been done.

Mr. Harkness: I do not know whether there is or not.

Mr. Gardiner: I am telling the hon. member.

Mr. Harkness: The profit that was made on butter when decontrol took place was due to certain factors which would not repeat themselves. That profit could not be made this year no matter whether there was a ceiling or not. That had nothing to do with it. In any event, margarine is now on the market and those who do not want to pay a high price for butter can buy margarine.

Mr. Cruickshank: Is the hon. member in favour of that?

Mr. Harkness: Those people who prefer butter, and are willing to pay the price the farmer thinks he should get to cover his cost of production, may continue to buy it. I can see no logical reason for keeping butter under a price ceiling; it should be removed. The same thing applies to the rest of those foods still under price ceiling, such as bread, citrus fruits and other things. Personally I would be happy to see the price of citrus fruits go up two or three times so that the people of this country would drink apple juice, carrot juice and other things we have in this country, and thus help to eliminate some of the difficulties faced by the apple growers in Nova Scotia and other parts of Canada.

There is no reason for the continuation of these controls and I should like to see the government eliminate them. I do not think it is practical to get rid of rent control immediately. The government has managed to get the country into such a horrible mess as far as housing is concerned that the elimination of rent control would probably be catastrophic. Until the present mess is cleared up I think we will have to have some measure of rent control. The same thing applies to steel control because of the shortages in that essential commodity.

I think the timber control might well go out the window. The lumber yards in Calgary appear to have an over-supply of lumber. There seems to be no shortage from what I can see and I do not think the continuation of this control is justified.

I think the government will get a much better reception for this bill if it provides only for the continuance of the same measure of control on the commodities I have mentioned and does not indicate an intention to impose further price ceilings.

Mr. Rodney Young (Vancouver Centre): Mr. Speaker, I have listened to the hon. member for Calgary East (Mr. Harkness) with a great deal of interest. I do not know how the people in Calgary East feel about the controls that have been under discussion, but I do know how the people feel in the area which I represent. With all due respect to the hon. member for Calgary East, I venture to say to him that if the speech he has just delivered here in this House of Commons were delivered on a platform in my constituency he would certainly meet a very hostile audience. It may be that in my constituency there are not many packing-house owners or many lumber barons.

Mr. Harkness: You must be very badly informed in your constituency.

Mr. Young: Whether or not they are badly informed in my constituency, I think they are better informed than the hon. member for Calgary East. Those people have to use lumber. They are on the end when it comes to paying for the lumber. I am sure that young veterans returning from the last war, or munitions workers who saved their money and put it into government bonds in the hope that some day they would achieve the ambition of most Canadians, to own their own homes, when they came to buy lumber at present prices would be sufficiently disappointed. If they had to buy lumber without any price control they certainly would not like it in spite of the fact that in some parts of the country, perhaps in Calgary East, there may be a surplus of good lumber. There is no surplus in the place where the lumber originates, British Columbia. At the present time, I venture to say, the people of British Columbia will be most affected by the removal of the controls which this government proposes to carry on. I am dealing only with

these controls, not with the innumerable controls which I should like to see the government institute on a number of things. Hon. members to my right may make the most of that, but I am simply dealing with the controls that the government proposes to continue.

The removal of those controls at the present time would affect certain classes of people in our country who are in desperate and straitened circumstances. It happens that they are centred in my constituency, because it is a place of rooming houses, and a large area is a place of slums. In these rooming houses, in the basement and in the attic, and in the slums, are the $40 a month burnt-out pensioners whom this country at one time treated as heroes. There are also the old age pensioners existing on $35 or $40 a month, people who gave the best that was in them to build the country and make possible the profits which my friends on the right consider to be reasonable and just. I suggest that this house represents them just as much as it does the lumber barons. Those are the people to whom we should have some sense of responsibility, and for whom these controls are essential.

I should like to point out that it was argued by the hon. member who spoke last that taxes, import duties, and the various tariffs that are placed on different things, are one of the essential causes for the maintenance of the present high prices. During the course of the discussion it was brought up as a matter of reproach that we should not look at things from the point of view of making as high a profit as we can. It was pointed out that we should not look at things from the point of view of buying in the cheapest market and selling in the dearest. It was pointed out that was essentially a philosophy which should not be followed. That statement was greeted with laughter on the right, and on the government benches. If that is the philosophy that is followed, and apparently it is, then if we remove all these taxes, if we remove all these tariffs, and if we make it possible for buying and selling to go on without the government taking any slice out of the amount for which the commodity finally sells, have we any reason to suppose that people will voluntarily bring down prices who believe they should make all the profit they can because when the next depression comes they may have to take a few losses?

Mr. Merritt: Competition will do that.

Mr. Young: Competition has not succeeded in doing that at any time. On the contrary, prices are determined at the present time, as was pointed out, by war produced shortages where prices are uncontrolled, but wages are determined by the demand for labour. At the present time in my constituency, and in my part of the country, there are not less than 25,000 people drawing unemployment insurance. They certainly are not able to pay the prices which would result from the lifting of the existing controls. In addition to that, there must be at least half as many again who are unemployed but are not eligible to draw unemployment insurance. There are 7,000 between New Westminster and Abbotsford in the Fraser valley, as the member for Fraser Valley (Mr. Cruickshank) will tell you. In my section of the country at the present time fifty per cent of the industries have shut down because of the power shortage, resulting from a cataclysm of nature over which we have no control. These are the people whom I represent, and these are the people who would suffer if the policies advocated by the hon. member for Calgary East (Mr. Harkness) were carried out.

I would say that by and large the people of the country are suffering from a reduction in the standard of living compared to that which they had a few years ago. It is pointed out in the speech from the throne, and the government has amply demonstrated, that we are going through a period of maximum prosperity. At the present time maximum prosperity, as it is regarded in orthodox free enterprise circles, is a period of maximum profits. At a time of maximum prosperity and maximum profits it is poor philosophy to rise on the floor of the house and demand that a reduction be made in the amount of taxes that industry has to pay. That section of labour power which has been incorporated in the commodity which we call surplus value, and for which the average wage worker receives nothing, is being cut into by the state, and big businessmen, and indeed some of the small businessmen are greatly annoyed about it.

But at the time of the hungry thirties, when there was no such surplus, when business was in a condition where many of the businessmen were facing bankruptcy, the type of controls that we have today were unnecessary. At the same time we are facing the prospect of a return to that sort of economic debacle unless we have some sort of planned society. These controls are a small step in that direction. It is at least a recognition by the state that they have some responsibility for the economic development of the country. They have some responsibility for maintaining the standard of living of the producers of the country. They have some responsibility for seeing that those citizens who have the weakest defences under a society of un-

limited competition, under a society in which there is no possibility of quarter being given, are protected, because they have no other protection.

I think that the policy of the government, while it is to that extent on the right track, should be carried further, that the existing powers that were given to the government by the house should be extended further. I believe that for this reason. I live in a section of Vancouver where I am three blocks from the industrial waterfront. I live in what is called a slum area, an industrial area. I, together with thousands of my fellow veterans, returned from overseas and I could not find accommodation. I had to live in an area where my standard of living, and the standard of living of thousands of other Canadian producers, has been cut away from under us, although we have always been led to believe that we had a right to the high North American standard of living.

Owing to the fact that prices make it impossible for us to build our own homes, we are compelled to live in a slum district. Two blocks away from where I live there is a house in which there are twelve adults and seven children. There is no bathroom and only one toilet. The chimney catches on fire regularly every month. The place was condemned years before the war. Yet we are compelled to utilize such accommodation simply because the existing price structure is getting in the way of expansion which is necessary to maintain a standard of living commensurate with the great wealth of the country. The contention has been made tonight that price controls could not continue in peacetime, that it would mean a police state. I ask hon. members whether they think that old age pensioners, burnt-out pensioners, and superannuated civil servants are bothered much about a police state provided they can keep prices within reach of their tiny means. By stigmatizing this progressive policy with the reactionary name of a police state, the critics are not going to alter anything in the minds of the people. The people feel this thing personally. They are not discussing it, as we are, in a theoretical atmosphere. Price controls mean something to them and are essential to them.

Great Britain has entered this discussion a considerable number of times today. I should like to say that Great Britain maintains a system of price controls. These controls had to be maintained because, unlike this country, the British people are not sitting on top of the world in so far as natural resources are concerned. There are perhaps forty to fifty million people concentrated in that tiny island. They have to import all their raw materials at high prices and then compete in the highly competitive markets of the world with their finished products. The people of Britain have had to share and share alike. In that country, it is not possible for an extremely wealthy person to get what an extremely wealthy person can get in this country. It is possible, however, for poor children in that country to get all that is necessary to make for healthy bodies, much healthier than they were under the capitalist system. Together with this system of price control or perhaps because of this system of price control in Great Britain, the government is able to give the people security from the cradle to the grave; health insurance and old age pensions for women at sixty and men at sixty-five. Canada is one of the wealthiest nations per capita in the world, yet we are unable to afford those things because of the unlimited competition of capitalism and because of the irresponsibility of those who, at the present time, control our natural resources, our mines, mills and smelters.

Mr. Hackett: Will the hon. gentleman permit a question?

Mr. Young: I will permit a question later, but at the present time I am in full spate like the streams of British Columbia and I do not want to be interrupted.

An hon. Member: Just like a phonograph.

Mr. Young: It is no record to which you are listening. In any event, the people like it and will continue to like it for some time. It will be heard more frequently on the floor of this house because the people like it. I would say that, so long as the prosperity, so called, continues at the existing level, there will be only discontent. The existing discontent has produced a protest to parliament in the form of the group of members I am amongst in this house. If the existing prosperity and the circumstances that go with it deteriorate, if they deteriorate only a little, we are going to experience in this country a tremendous change of heart.

The head of the welfare chest and the secretary of the red feather organization in the city of Vancouver, who is as far from being a socialist as my friend to the right, recently made this statement: that unless the federal authorities are willing to accept the responsibility for the mass unemployment which has developed there, and the lack of unemployment insurance to cover that situation, there will be serious riots and disturbances in that city. I have not been to Vancouver since early January, but this is the word of a man in a responsible position and drawing a salary equivalent to that of anyone in this house. He is a man whose business it is to know these things. Situations of that type are the

direct consequence of the lack of control, the lack of planning, and unhampered competition.

At the present time the newspapers carry reports of very damaging floods in the south end of Vancouver island resulting in the loss of $100,000 worth of property. This flood is the direct consequence of the cutting-down of our trees in British Columbia without any thought of the necessity for replanting. In Sweden when one tree is cut down another is planted. They have been planting and cutting trees for hundreds of years. Owing to the lack of government controls in my province, in forty years we shall probably have no commercial timber within easy reach. We shall be going up to the top of the mountains for timber. Now, when the snow comes, it lies on the bare hillside and the first breath of warm weather brings flash floods. If the snow were shaded by the large trees, such floods would be avoided. At the present time the trans-continental trains are delayed twenty-four hours getting into the city of Vancouver. The same thing occurred last year on a tremendous scale, as this house knows.

I may sound rather radical to my hon. friends to the right and I may seem to have become somewhat emotional. I should like to say I have listened rather attentively to their point of view. I have not interrupted, nor do I intend to do so. I give my friends on the right credit for believing what they say, although I do not see how it is possible for them to believe all they have said. I do, however, give them credit for believing it. I know they believe it is their duty, but I should like them to have a look at this matter from the point of view of the man on the bottom of the pile. These controls are not being urged by the members of this group because we love controls. We love freedom as much as any man in this house. We do not want controls for the sake of controls. I do not want a policeman looking down the back of my neck or giving me a ticket every time I move. If it can be demonstrated, and I believe it can be, that in the interests of the country as a whole, during the transitional period from the production of war materials to the time when our peacetime production is again fully developed, controls are essential to the welfare of the majority of the people, then by all means let us use controls. Let us not look upon controls as a police state, but let us look upon controls as a means to an end and let that end be the best interests of the useful people of Canada.

Right Hon. J. G. Gardiner (Minister of Agriculture): I do not know whether I can make the remarks which I hoped to be able to make by strictly adhering to the rules of the house. I think I can say all I wish to say, however, by remaining as close to the rules as the other speakers have. The remarks which have just been made should, I think, have some reply. The hon. member for Vancouver Centre (Mr. Young) has covered considerable territory. I am sure he must have realized, as he was speaking, that a number of the subjects he was discussing were not of direct interest to the members of this house.

His reference to the control of the cutting of timber, for example, is a case in point. In this country the cutting of timber, if it is under the control of a government, is largely under the control of provincial governments. The natural resources, belong to the provinces and are, naturally, under their control. The only authority under which this government may take control over such matters is the type of authority we get from a measure such as the one under discussion this evening. I only wish to impress upon the hon. member the fact that we are being accused by the members of the official opposition now of trespassing upon provincial rights and we would probably be trespassing upon them still further if we attempted to do some of the things the hon. member has suggested.

I am very sorry I was not in the house this afternoon when the member for Peace River (Mr. Low) delivered his address. From what has been said, I would judge he had certain things to say with regard to conditions in the old land which he had recently visited. I have been in Britain on a number of occasions since 1936. I do want to agree with much of what has been said by the last speaker about the condition of the people and with much of what has been said by the member for Ontario (Mr. Williams). I am not prepared, however, to give all the credit to the present government in Great Britain for those conditions.

An hon. Member: Why?

Mr. Gardiner: My hon. friend says, Why? One of the reasons is that most of the social services referred to by the member for Ontario were placed upon the statute books of Great Britain by no less a person than one of his own very great countrymen, Lloyd George, a Welshman. That was many years ago, Mr. Speaker. It is true that other governments, Liberal, Conservative and Socialist, have added to the basic principles that were established by earlier governments. But when socialists attempt to take credit for all that was done by all social reformers back over the years, they are taking in much too much territory.

Then when I listen to the description of the condition of the people in London and in Britain at present, I am inclined to agree. But I should like to say to my hon. friend that the

members of the present government were calling my attention to those conditions during the first six months that they were in office. Anyone who knows the city of London realizes that conditions such as those that are being described could not have been created by any government in six months. The fact of the matter is that practically everything they have in Great Britain in the nature of controls of the distribution of food was placed upon their statute books and in the regulations by no less a person than Lord Woolton, the present chairman of the Conservative party in Great Britain and not a socialist at all. If any credit is coming to the present government in connection with those regulations and that legislation, it is due to the fact that they showed good enough sense under all the circumstances to continue the regulations which had been introduced under the Churchill government, and which are still in force.

May I say also that, in spite of the fact that much of the criticism has been made with regard to the controls they have in connection with agriculture, which might not be acceptable in the Dominion of Canada because of our different conditions, many of those controls also were not placed there under the present government. Some of them were introduced before the war and some of them early in the war during the period that Mr. Hudson was Minister of Agriculture in that country. I make these statements only for the purpose of keeping the record straight. In this country we have people who are trying to claim the credit for everything that has been done by anyone who has been interested in reform for a generation before there was a socialist party either in Great Britain or in Canada; and I think it is well that we should keep the record straight as to who is responsible for what, in order that we may be able to make decisions as to what we ought to do under certain circumstances.

Mr. Bryce: Those were the days when Liberals were liberal.

Mr. Gardiner: Liberals are still liberal.

Mr. Bryce: Not any more.

Mr. Gardiner: My friend Scotty, the hon. member for Selkirk, will be a Liberal some time in the future when he has made up his mind that he is no longer a socialist; because no Liberal ever desired to be controlled to the extent that the socialists want to control us. I have never known a Scotch Liberal who could stand for it for any great length of time.

Coming down to some of the discussions to which we have been listening, we on this side of the house have been the audience. We have been listening to a debate between the socialists and the Conservatives on the subject of controls. The socialists maintain that we ought to be controlled in every direction and with regard to everything we are doing.

An hon. Member: They never said anything of the kind.

Mr. Gardiner: I am glad they are not quite as radical as they were a few months ago.

An hon. Member: Keep the record straight.

Mr. Gardiner: They too, or most of them, are coming back a little nearer to where they were at one time. Probably we shall find them doing as some of them used to do, organizing for one of the old parties. We shall probably find them even going to conventions and trying to get conventions for one of the old parties. Some of them, when they had tried on three or four occasions to get a convention for one of the old parties, and were not able to get it, then of course organized a party of their own and ran in order to try to get elected.

Mr. Knowles: Page the hon. member for Springfield (Mr. Sinnott).

Mr. Gardiner: I realize that in order to get here they will have to do similar things, and probably some of them will be talking a little differently from the way in which they are now talking.

The argument that has been going on has been one as to whether we should or should not have controls; and again I say that we have been greatly interested in it. The hon. member for Calgary East (Mr. Harkness), who is not here at the moment, had something to say with regard to butter, and I also want to say a little bit about it.

Mr. Case: It is a fairly slippery subject.

Mr. Gardiner: Yes, it is a slippery subject. A certain party slipped out of power on it once, and the opposite party slipped out on another occasion. Someone might slip out again, but I do not think it will be this party.

An hon. Member: Do not be too sure.

Mr. Gardiner: The question raised a few minutes ago with regard to butter is one that is well understood in this country. The farmers of Canada produce in the summertime twice as much butter as we consume, but in the winter months they produce half as much as we consume. As a result, speculators can have a good time with our butter if they are left free to do so. I rather imagine that some of those speculators would even be socialists who would be taking a chance on making a little bit out of butter.

Mr. Gibson (Comox-Alberni): Oh, no; surely not.

Mr. Gardiner: As a matter of fact, when you have twice as much of any product coming onto a market from which you cannot afford to let any of it go because you must have it all in order to supply the market completely throughout the year, if everyone is allowed to do what he likes about it, someone will do just what was done last year. The only reason such a great fuss was made about it last year was that it had not been done that way for seven or eight years. We had been at war, and the marketing of butter in this country had been under absolute control all the time. Then, when we let it out of control for a period, the butter was bought at under fifty cents a pound.

Mr. Burton: Just what we told the minister would happen actually did happen.

Mr. Gardiner: I think I told my hon. friend it would happen. He might have agreed. It was bought at under fifty cents a pound. I think the evidence given to the committee was to the effect that even throughout the whole summer it was bought at an average of about fifty-one to fifty-two cents a pound. Then during the winter months, when there was coming onto the market only half enough to supply the requirements of the people, those who had in storage the butter which had been produced in the summer months were putting it on the market at a higher and higher price, until when it reached sixty-seven and one-half cents a ceiling was placed on it. That ceiling was the only thing that prevented it from going up higher. The only reason that the ceiling was put on was for the purpose of seeing to it that, since the butter had been bought at a lower price, it was not allowed to be sold to the people at any higher price than it had then reached.

When the matter was gone into by the committee it was found on the evidence that one of the companies had sold the butter at an average of between 11 cents and 12 cents a pound higher than it had been purchased, and of course everybody called that a profit. But what I want to emphasize is the fact that unless there is some kind of control some place that thing will happen in spite of what anybody tries to do every year from now on. The only reason that this government cannot do anything about it, unless a measure such as is before the house at the present time is passed, is that the authority to deal with that kind of thing is with the provinces. I am quite certain that if this government were to attempt to take that authority away from the provinces we would experience some of the same kind of criticism that this debate started off with this evening. The first speaker, the hon. member for Lake Centre (Mr. Diefenbaker), said, as I was coming into the chamber, that he was going to discuss certain orders from the point of view that they were encroaching, or allowing this government to encroach, upon the authority of the provinces. That has been quite an issue in almost everything that has been discussed this session, and I presume it is going to be made the issue by hook or by crook with regard to everything that is discussed from now until the end of the session.

What I should like to point out, Mr. Speaker, is that in so far as butter and many of these other products are concerned, there is now no effective control over them unless greater authority is given to the federal government than it has in relation to these matters up to the present time. The only reason that we were able to control butter during the war, the only reason that we have been able to control it last year, is that we had the War Measures Act during the war and we had the extension of the powers contained in the War Measures Act under the legislation which is under discussion at the present moment.

The hon. member for Calgary East (Mr. Harkness) was inclined to question my suggestion that the controls during this year made it impossible for those who have been handling butter to make as great a profit. Probably I was stating it the wrong way around. Probably what I should have said was that the controls, as they have been exercised this year, made it possible for men who have been trying for years to be honest in connection with this matter, and to trade with people honestly, to find a method of doing it under the controls as they are up to now. All that these controls did was to place a floor of 58 cents a pound under butter. That floor has not been operative at all during the past year in connection with the handling of butter because butter has never been down to that price or anywhere near it.

Mr. Hackett: We had to import butter.

Mr. Gardiner: But having said that the ceiling price is approximately sixty-seven and a half cents—it differs a little from that in different places in Canada but that is the basis of it—may I say the fact is that all the butter has been bought at sixty-seven and a half cents. All the butter produced last May when there was twice as much coming on the market as was required, all the butter produced in June, all the butter produced right through the year, has been bought at approximately sixty-seven and a half cents a pound delivered at a certain point in Canada.

The regulation allows a certain margin, a certain markup, between that wholesale price and the retail price. With that certain markup between the wholesale price and the retail price—that markup is only a few cents; it does not permit of any profits to anyone of the kind that these people could make back over the years under the conditions that existed in this country—that narrow margin of markup has been all the profit that anyone could get. Therefore those who are storing the butter have been quite prepared to take delivery of butter, and pay the producer a certain price right through the year, whether in the summer or in the winter, for that butter. I think that every farmer in this country will say that sixty-seven and a half cents a pound is more money a pound for butter in the summer months than he needs to get in order to cover his costs of production. But I think every producer in this country will say that under present conditions sixty-seven and a half cents a pound for butter in the wintertime is not quite as much as he ought to get. But the two have averaged out at the best he has ever received in peacetime, possibly at any time.

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

Mr. Gardiner: Yes.

Mr. Hackett: Is it not a fact that milk which goes into butter yields a lesser return to the farmer than that which is used in any other form?

Mr. Gardiner: That is right, but it has not very much to do with what I am discussing at the moment.

Mr. Hackett: It caused the sale of herds.

Mr. Gardiner: Perhaps the consumer ought to realize that the farmer is getting less money out of butter than he gets out of cheese, or out of canned milk, or out of whole milk sold at so much a quart each day; and as has been indicated, it is the lowest price. What I was trying to point out was that this year the farmer got approximately sixty-seven and a half cents a pound for his butter wholesale at, let us say, Montreal. The butter was then sold at a certain markup throughout the year, with the result that the man who was storing butter did not need to take all the risks that he used to take in connection with it and therefore did not need the margin. The risks are largely taken by the retailer who handles the butter. He may take delivery of it the day it is bought from the farmer, leave it in storage and take delivery of it from the wholesaler as he requires it for his customers.

I do not think there is an hon. member in this house—who fully understands the conditions under which butter is produced in this country, and fully understands the conditions under which butter must be marketed—who will not agree that some reasonable degree of control on the marketing of that butter ought to be put into effect and ought to be retained in effect. But I repeat, the only way that we can have that kind of control is by having some kind of understanding between this government and the provincial governments, which does not exist in a legal sense right up to the present time.

Mr. Wright: Is not that one of the best arguments which can be used for a Natural Products Marketing Act to co-ordinate the marketing agencies?

Mr. Gardiner: That may be so, but it is not an argument for socialism.

Mr. Wright: I do not care what you call it.

Mr. Gardiner: It is one of the things which make people vote for socialism, because people who are not socialists do not regulate it, but it is not socialism.

Mr. Wright: Why are you not doing that?

Mr. Gardiner: We are doing it at the moment, and we are asking you to give us authority to do it for another year. That is all that is before this house at the moment. I am simply answering the suggestion of the hon. member for Calgary East who says that he does not want to give us that authority this year.

Mr. Knowles: Don't pay any attention to him.

Mr. Gardiner: I may not pay attention to him, but I pay attention to the people to whom he is talking when he speaks in this house.

Mr. Burton: Will the minister permit one question? In setting these prices for the handling of butter in the legitimate trade, is the minister getting complaints from these people or from those who want to speculate in butter?

Mr. Gardiner: So far as I know, we have not had any complaints from anybody this year. We have had no complaints from the farmers, from the retailers, from the wholesalers or from the consumers, except that some of the consumers who are probably not too well informed do not know what was suggested a few moments ago, namely, that our butter is being sold at the lowest price of anything that is made from milk.

Mr. Hackett: And our herds in the eastern townships have been sold for the same reason.

Mr. Gardiner: I do not want to go into the discussion of that tonight. I am afraid my hon. friend will make me discuss it some other night when I come to my estimates. I merely wanted to deal with this one suggestion. On the one hand, people tell us that we must not step on the toes of the provinces, and on the other hand, occasionally by agreement with the provinces or in some other way, we find it absolutely necessary to do something which we have not the authority to do, in order to accomplish the things which people believe ought to be done in this country, no matter to what political party they belong.

It was not my intention to have taken up so much time in dealing with one product, butter. I had intended to spend more time in discussing the general position which has been discussed this evening. Our friends of the C.C.F. party have been maintaining, as they always do, that we should have retained all, or practically all the controls, and probably that we should have put on new ones that we did not have before. Then, our friends of the official opposition have been arguing that we have kept on too many controls up to now, and that we should have got rid of all of them, or at least the greater part of them.

An hon. Member: You took the wrong ones off first.

Mr. Gardiner: I have an idea that out of the argument there has come a thought which perhaps did not occur to many of those who were speaking. My hon. friends of the C.C.F. party have been dwelling at great length upon the cost of living, and hon. members of the official opposition have occasionally drifted into that argument—that the cost of living is too high.

The hon. member for Calgary East (Mr. Harkness) has tried to impress upon the house that food costs were possibly more responsible than anything else for increasing the cost of living; and hon. members in another part of the house argue that that is not so.

I should like to place on record one or two illustrations I have run across out in the country, to indicate the weakness of those arguments. Last summer while out in Saskatchewan I picked up a pamphlet which had on the back of it a big 59 in red numbers. Then, over the top of that was printed the inscription, "The purchasing power of the dollar today is only 59 cents". I looked at it, and then I said to the farmer I was visiting, "Do you agree with that?" "Well," he said, "it is not working out that way with me. I do not know just whom they are talking about. Perhaps they are taking an average all across Canada, and in that I do not know whether they are right. But," he said, "in so far as I am concerned, I built a house this year; and the reason I built it was that I could build it with 34 per cent less wheat than I could have built it with before the war. I could have built it with 40 per cent fewer hogs than I could have built it with before the war. I could have built it with 56 per cent fewer cattle than I could have built it with before the war. So," he said, "my purchasing power in respect of those particular things today, with the dollar that I have, represented in products I have been selling, is away beyond what the pamphlet makes it out to be."

I think his reasoning was much sounder than the reasoning of some of my hon. friends who have spoken this evening.

Last summer out in the middle of Saskatchewan, where I did not think anyone knew me—

Some hon. Members: Oh, oh.

An hon. Member: Where could that be?

Mr. Gardiner: —I walked into a restaurant. I will not tell you where it was.

Mr. Smith (Calgary West): Did you have to go there to eat?

Mr. Gardiner: I had intended only to have a dish of ice cream to cool me off.

An hon. Member: Getting pretty hot?

Mr. Gardiner: The lady who was there ready to wait on me was seated at a table with a copy of the Winnipeg *Free Press* in front of her. She had not been reading the editorials they have been writing recently—but she was looking at the stock page. She called me by name and said, "Come over here, I want to show you something".

Some hon. Members: Oh, oh.

Mr. Gardiner: And she was not thinking about the same things as the hon. member for Ontario (Mr. Williams). When I went over and took a look at the paper it showed the picture of a big white steer, over which was the inscription, "The farmer got $546 for this one".

Mr. Smith (Calgary West): "Come up and see me some time".

Mr. Gardiner: I said to her, "That is a pretty nice steer". She said, "That was not what I was thinking about".

Some hon. Members: Oh, oh.

Mr. Gardiner: I said, "What were you thinking?" She said, "I was thinking that we could buy a tractor with three steers like that. I was just wondering how many it

would have taken in the years just before the war". That was an exceptional steer, it is true.

Mr. Ross (Souris): Exceptional woman, too.

Mr. Gardiner: Nevertheless, one could buy a tractor with six steers of the ordinary type. They would have brought just as much money as she would have had for three steers of the type of which she was speaking.

What I am hoping to do by these illustrations is to point out to the house that there is some truth in what was said by the hon. member for Calgary East, namely, that when we come to quoting percentages, quoting lump sums, and trying to apply our arguments to every condition that exists, no matter where we happen to be in different parts of this country, quite often we are talking with people who know a great deal more about their local conditions than we do. And I am afraid if my hon. friend the member for Vancouver Centre (Mr. Young) goes around to some places and talks as he was talking a few moments ago he would find that in due course people would not be as well pleased as he thinks.

After all, most of the farmers in this country whom I have met—and I have met a great many of them—are thinking just as straight with respect to the economic problems of this country as are any group of people to be found anywhere. Most of them believe that they are enjoying as favourable economic conditions today as they have ever enjoyed at any time.

And they know why that is. Hon. members have been discussing the matter this evening. Someone over here said, "They cut out the subsidies"; and someone in another section of the house said, "They increased the cost of coarse grain," and so on. That is the kind of argument we have heard here, there and everywhere. Someone said, half under his breath, that at a particular time this was being done at the expense of the farmer; that in other words we did not let him have the highest possible price when prices were at their peak. And it is suggested that because we did not do that, we ought to throw our markets wide open now.

May I say to him that there are very few farm products which a farmer could sell in the United States market today at a better price than he is getting for them in the Canadian market—very few.

Mr. Brooks: What about potatoes?

An hon. Member: Butter.

Mr. Howe: Butter is higher in Canada.

Mr. Gardiner: Yes, butter is higher in Canada. I look at the official prices every day, and I know the price has been down around 60 to 63 cents on comparable markets for some considerable time.

Mr. Cruickshank: Not in whole milk?

Mr. Gardiner: Milk powder has been lower in the United States for about two years than it has been in this country. Then, cheese cannot be shipped from Canada into the United States, with freight and duty paid on it, and be sold at as high a price as it can be sold in Canada. That is why I am getting appeals every day from people all over this country who want us to take cheese off their hands, cheese that they have been holding for one or two years. This market is the best market they have at the present time, but it does not bring enough to cover all the carrying charges in addition to what was paid for it.

I repeat that there are not many farm products that can be sold on the open market outside of this country at prices better than can be obtained in the country at the present time. Anyone who stands up in this house and advocates a lower cost of living by reducing the cost of food products is trying to make it absolutely impossible for this government to carry out the undertakings which they gave back in 1944 to maintain for a time during the transitional period floors under the prices of farm products.

My hon. friends in the opposition say that we denied the farmers the top prices at a particular period. If you allow prices to go down to the level of prices in some markets in order to satisfy consumers all over the country, then the farmers will lose on the long-time experience.

I think we have had enough men standing up in this house and saying that the farmer lost money on wheat because he did not get the top price, that we should have been on the open market all the time, and then advocating at the same time that we ought to make all farmers—there is only a small proportion, some 200,000 out of 750,000, who raise wheat—that we ought to make all the other 550,000 farmers and their families accept a lower return for their products simply because they cannot be sold at a higher price in some other place for the time being. That kind of argument is going to make it absolutely impossible to carry out even the kind of control that is necessary to stabilize prices for a limited period of time.

It was necessary during the war and after to hold down prices for farm products and other products, and prices were held down. If we are to have stabilized prices it may be necessary to hold up farm prices. My hon. friends of the C.C.F. say that because

we have no ceiling price, therefore we have no control. They are not talking in accordance with the facts.

An hon. Member: Never said that.

Mr. Gardiner: The hon. member says "never said that". They said that controls have all been taken off farm products and not off other things.

An hon. Member: It is the other way around.

Mr. Gardiner: Rather that controls have been taken off other things and not off farm products, with the result that farmers suffer. The keeping on of floors tends to keep up prices and for a period of time it tends to give the farmer back something of what he lost during the period when he was not allowed to take the peak prices he might have taken.

Let us examine for a moment or two the conditions and the time during which he did take comparatively low prices. The United States had controls right down to the end of the war and our people were not able to get much if any more, even if they had been able to get into the United States during that period. Shortly after the war the United States took off controls and prices rushed up very rapidly. Some people were inclined to say that we should have taken them off also and allowed our prices to run up just as rapidly. In other words we should have sold in the American market. Whether it was right or not, we did not do that; we maintained our prices at lower levels not only for food products but for labour and everything else. My hon. friend shakes his head. Probably there were a few things that one would buy once in twenty years or once in ten years that were higher.

An hon. Member: Gasoline.

Mr. Gardiner: You can buy more gasoline with a bushel of wheat today than you could at any time over a long period. One hon. member said "What about rye?" I know this will not be an answer because I do not know where it came from.

An hon. Member: Assiniboia.

Mr. Gardiner: If it came from the C.C.F. group it will not be an answer. If it came from the Social Credit group, it will be an answer. If it came from the Conservatives, it will be an answer. Some people have been saying that we should have kept the market open all the time, that there should have been a free market, that we should have let prices go where they would. Well, we did that with one product and I am going to tell the house why it was done because I was the culprit in the picture.

When controls were put on back in 1942 reasons were given for doing that. The first was that we wanted to keep down the cost of living in order that we could get more for the money that we were spending during the war period when we had to spend great sums of money to do the things that we would not do in ordinary times. It was thought that we should keep down wages in order to keep down the cost of production. We were working toward that end. With a few exceptions we controlled everything.

One thing we did was this. We did not tie the prices of food produced by the farmer to the price of the month period to which we tied almost everything else. We allowed the price of live hogs, we allowed the price of live cattle, and we allowed the price of grain to go up to higher levels before we put on absolute controls which resulted in those prices not going higher. Not only did we do that; we entered into contracts with Britain which took all our surplus at higher prices than we could have got in other places at that time. In other words, we improved the condition of the producers of food during that period.

That is one reason why the prices of food products were allowed to get up to a level which was much higher than the level at the time the prices of other products were fixed. Does anyone believe that the price of hogs did not go up between 1942 and 1945-46? Of course it did. Does anyone believe that the prices of farm products did not go up during that period? An effort was made by some people in this country—it was not the government—to tie wheat at the price it was selling for at that time, that is 78 cents. But the government did not permit wheat to be tied at 78 cents and it went up until it reached $1.25 before any particular effort was made to control it.

The only thing the government did during that period was to take wheat that nobody else would take. There was not an elevator company in this country, farmer, co-operative or otherwise, that would buy a bushel of wheat during the early forties at 50 cents. They all came to the government and said: "Take this wheat off our hands; put it in the elevators and allow us money with which to build annexes to our elevators so we can store it". The government did everything to make it possible for this product to be carried on to a later time in order to assist the farmers over a difficult period.

I think these things ought to be said when a discussion is going on of the kind that is going on here tonight. Those things were done. That is the reason why farmers will tell you when you drive into their yards that they are able to put up a building now with

less wheat than ever before. That is why they tell you that they are buying their gasoline, even at today's high price, for less bushels of wheat than they bought it before, or for less of the other farm products. These prices were not held at a dead level as of 1941. They were deliberately allowed to go up until they reached a higher level, and that higher level was maintained on products such as wheat right down to the end of the war. When wheat was sold at that price every single nickel was returned to the farmers with the result that the men who delivered during that period of time received another $60 million. We did not charge them the $60 million, Mr. Speaker, that we lost in the years just before that. We paid that out of the treasury.

When these people are figuring what has been lost and what has been gained they ought to go back to the beginning and figure the thing properly. If they figure it properly every one of them will come to the same conclusion that my friends have come to on rye. I got a letter from a man in Alberta the other day. He said, "I made a mistake. I put all my land in rye for the last three years, and I was hailed out for two of those years. This year it is down to less than $1 a bushel where I am." He hoped to get $4 a bushel for it when he put it in. That is what a so-called open market does for these fellows; that is what it does for them. Rye was around 50 cents a bushel when this thing started. Rye went right on up until it got to $4.30 a bushel. Farmers of the west put in rye against the advice of the government, against the advice of others. There was the offer staring them in the face; there was the propaganda from the grain exchange.

When I am on this question what I should like to say to my hon. friend from Souris (Mr. Ross) is this. I have heard him stand up in the house and say he is against the grain exchange.

Mr. Sinnott: It is not on the record.

Mr. Gardiner: I have heard him stand up in this house and say—

Mr. Ross (Souris): The hon. member for Springfield says that it was never on the record. I will show him in *Hansard* where I moved a resolution. He is not making a true statement of fact.

Mr. Gardiner: It is on the record.

Mr. Sinnott: Can you give us the date?

Mr. Gardiner: He can get the date, and if he does not get it I will get it, because it is on the record.

Mr. Ross (Souris): The minister will correct you.

Mr. Gardiner: The record shows my hon. friend has been against the grain exchange. The record shows that my hon. friend is in favour of the wheat board. That is a logical position to take; but when I listened to him the other day, putting forward all the arguments that anyone ever put forth in support of the grain exchange, I began to wonder whether he was arguing for what he believes in, or whether he was arguing for something that somebody else believes in. If so, I should like to have his reason why he was arguing for something somebody else believes in. In so far as rye is concerned, rye started out below 50 cents a bushel at the beginning of the war and ran up to $4.30. It dropped from $4.30 down to $1.14 at Fort William, according to yesterday's paper. That is a very good illustration of what happened to wheat in the first war.

When we are able to say now what we are able to say in that regard I think we have something that is worth putting before the people of the country from time to time. To finish my story on rye, I said I was going to tell you that I was the culprit. Back in 1942, when the argument was on to keep down the cost of living, I said that rye was a crop which did not enter into the cost of living in this country. We do not eat rye bread, or very little of it. We do not convert it into flour. Even our chickens will not eat it. We only get our hogs to eat it because they do not have anything else. They do not like it. I said, "It is not used generally by farmers for feed and it is not used generally by human beings for food. The people who grow it live in the driest areas of western Canada where it is most difficult for them to grow anything, and if they can get a higher price for it at the present time it is not going to hurt anybody very much. It is not going to affect our cost of living, so let them have it."

I found that people who will take your advice when the price is going up refuse to take it when the price is going down. Last year I was saying to people not in the drought area, "Get out of rye. One of these days you are going to take an awful bump." Some of them did not get out, and they have learned now why an open market is not as good a thing as some people think it is. There is nothing of the nature of socialism in the fact that a man says that one system of marketing is better than another. That is not socialism. It is not socialism to be on

either side of the question. The system which we have had for the last seven or eight years, whatever it may have done in the past and whatever it may do in the future, is the system that operated to the satisfaction of our producers all over western Canada. I am sure that unless they can be shown something better they will support it right through the years.

On motion of Mr. Hansell the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: On Monday we will resume the debate on the address in reply to the speech from the throne. The Prime Minister has given notice of motion to give precedence to that debate.

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

HOUSE OF COMMONS

Monday, February 21, 1949

The house met at three o'clock.

BUSINESS OF THE HOUSE

MOTION FOR PRECEDENCE OF DEBATE ON ADDRESS

Right Hon. L. S. St. Laurent (Prime Minister): With the unanimous consent of the house I should like to move the resolution of which notice is given on today's order paper, as follows:

That consideration of the speech of His Excellency the Governor General to both houses of parliament have precedence over all business except introduction of bills, government notices of motions, questions and notices of motions for the production of papers, on and after Monday, February 21, 1949, until disposed of.

Mr. Stanley Knowles (Winnipeg North Centre): I should like to suggest an amendment to the Prime Minister's motion. I may say that I have had a word with the Prime Minister about it, and I understand he is willing that my amendment be put to a vote of the house.

The amendment relates to the evening hours of sitting of this house. As hon. members are aware, there has been discussion from time to time about this matter, and it has been suggested that we change the evening hours to permit adjournment a little earlier than eleven o'clock. Last year the committee on procedure which sat, Mr. Speaker, under your chairmanship, made a unanimous recommendation that we change the hours so that, instead of sitting from eight to eleven, we sit from seven to ten. I understand that although there is considerable support for this proposal, there is some objection to it. There was also the objection that a standing order should not be changed without considerable thought.

My suggestion now is not that we change any standing order but rather that we make an experiment merely for the time during which the debate on the address is before the house. The house, having experimented for two or three weeks with a different set of evening hours, would then be in a position to decide whether it wished to continue on that basis.

I should like to add this further word, Mr. Speaker, before I read my proposed amendment. In Your Honour's committee last year I personally supported the proposal that the evening hours be from seven to ten. There are some, however, who feel that by its adoption the dinner recess would be too much shortened; therefore as an experiment I suggest that for the next two or three weeks we try sitting in the evenings from 7.30 until 10.30. This would mean no change in the total number of hours we sit each day, but would enable all of us in this chamber, including those who must be here because we are—page boys, *Hansard* reporters, members of the press gallery, and so on—to get home a half hour earlier.

Had I felt that there was strong objection to an amendment being proposed to the Prime Minister's motion, I would have merely have put it forward as a suggestion. But the Prime Minister tells me he is prepared to let the house make its free decision in the matter. In that spirit, therefore, I move, seconded by the hon. member for Mackenzie (Mr. Nicholson):

That the last three words of the motion be deleted and the following substituted therefor immediately after "1949":

"Provided that, except on Wednesdays, Mr. Speaker shall leave the chair at six o'clock p.m. until seven-thirty, and shall adjourn the house at ten-thirty p.m., without question put, until consideration of the said speech is disposed of."

I think the amendment speaks for itself. If it carries, the experiment will be made only while the address is being debated, and the house can then decide what it wishes to do.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, when the hon. member showed me the amendment he wished to move, I consulted my colleagues and we came to the conclusion that we would not attempt to influence in any way the decision that hon. members might wish to make upon this proposed experiment of having the house sit from 7.30 to 10.30 p.m. Unless something else is ordered in the meantime, this would be only for the duration of the debate on the address in reply to the speech from the throne. The words "except on Wednesdays" are clear, because on Wednesdays, as provided by the standing orders, the house would continue to rise at six o'clock.

The position of the government is that this is a matter which should be disposed of in the manner which best suits the convenience of the greatest number in the house. If the

majority of hon. members feel that we should try these new hours of sitting while the debate on the address is in progress, the government offers no objection.

Mr. Cruickshank: Is it possible to move an amendment to the amendment? If so, notwithstanding the great inconvenience to hon. members from Ontario and Quebec I should like to move that we sit on Wednesday evenings and Saturdays. We cannot go home on Thursday nights and come back on Tuesdays. I cannot see the value of the hon. member's amendment.

Mr. George A. Drew (Leader of the Opposition): Not having had the advantage that the Prime Minister (Mr. St. Laurent) and his colleagues have had of considering this proposal prior to its being made in the house today, we are confronted now with a suggestion, which may have considerable merit, as to the hours of sitting. But it seems to me that rather than submitting a motion of this kind to a snap decision of the house it would be better to defer it until tomorrow, and in the meantime let all the parties consult their members in the matter. I do believe there is a general feeling that some changes in the hours of sitting might well be made. But if that is to be done, let us seek common agreement, without being called upon to make a snap decision now which may or may not be in accord with the general feeling of hon. members. I suggest, therefore, that the amendment stand until tomorrow. I imagine that all hon. members would agree to have the matter brought up without advance notice, and in the meantime it will be possible to ascertain the general feeling of hon. members in this regard.

Mr. Cruickshank: May I ask the leader of the opposition one question? I should like to know if he meant that we should consult the provinces.

Mr. Drew: I admit that we have heard a great deal about that in the past few days, but if I did use that expression, I meant hon. members of this house. I must admit that there has been an attempt in some instances for hon. members to identify themselves with their provinces, and it would be a natural error to fall into. I am not aware that I did make it, but if I did, that might be a reasonable explanation. I repeat my suggestion that in order that we may reach a satisfactory solution of this matter, which has been under discussion before, an opportunity be given to all parties to consider it.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, the two hon. members from this group who propose this change in the hours of sittings of the house did so, I presume, for themselves. So far as I am concerned, I do not think the difference would amount to much. Half an hour would be juggled in between. I think the house should convene at nine o'clock in the morning and go through until six in the evening. Let the house do a full day's work, and then hon. members may dispose of their time afterwards as they see fit.

Mr. Mitchell: May I ask my hon. friend, who is an old trade unionist, a question? Would it be time and a half for the other three hours?

Mr. Ferguson: May I suggest that if the government would run the country in a more businesslike way we would all be able to stop work at six o'clock.

Mr. Knowles: On a question of privilege—

Mr. Speaker: Order. I must remind hon. members that there is a motion before the house, and an amendment. Hon. members know that the rules prevent their speaking on a motion as often as they wish.

Mr. Knowles: On a question of privilege, sir, perhaps you will permit me to answer what I regard as a reasonable request on the part of the leader of the opposition. If the house will give its undertaking that we shall consider the matter tomorrow as a substantive motion, I am willing to withdraw the amendment. We can hardly let both the motion and the amendment stand over, because that would prevent the house from going on with the address today. If the house will give that assurance, I shall be glad to let this matter stand for consideration and decision by the house on a free vote at three o'clock tomorrow afternoon.

Mr. Speaker: Is it the pleasure of the house that the hon. member for Winnipeg North Centre shall have leave to withdraw his amendment?

Amendment (Mr. Knowles) withdrawn.

Motion (Mr. St. Laurent) agreed to.

PRIVATE BILLS

CANADIAN HOME ASSURANCE COMPANY

Mr. J. T. Richard (Ottawa East) moved the first reading of Bill No. 28 (from the Senate) to incorporate the Canadian Home Assurance Company.

Motion agreed to and bill read the first time.

OTTAWA TRANSPORTATION COMMISSION—OTTAWA ELECTRIC RAILWAY COMPANY

Mr. G. J. McIlraith (Ottawa West) moved the first reading of Bill No. 30 (from the Senate) respecting the corporation of the city

of Ottawa, Ottawa Transportation Commission and the Ottawa Electric Railway Company.

Motion agreed to and bill read the first time.

INDUSTRIAL DEVELOPMENT BANK

AMENDMENT AS TO AGGREGATE AMOUNT OF LOANS, LIABILITIES AND EXPENDITURES

Hon. Douglas Abbott (Minister of Finance) moved the first reading of Bill No. 29 (from the Senate) to amend the Industrial Development Bank Act.

Motion agreed to and bill read the first time.

BULGARIA

CHARGES AGAINST PROTESTANT CLERGYMEN —CARDINAL MINDSZENTY

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I should like to direct to the Prime Minister a question which relates to one which was asked earlier. In view of the reports that fifteen Protestant ministers in Bulgaria are to be tried next Monday, may I ask the Prime Minister what steps are being taken by the government in the matter? Perhaps at the same time he might indicate, in view of the fact that the question has already been raised, the position of the government in connection with the trial of Cardinal Mindszenty, and what steps have been taken in that regard.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, before I left the city on Friday, some notes had been prepared for a statement I expected to make today. The notes were extended during my absence, and I received them only a short time ago. Upon reading them I find they are not quite in the form in which I should like to have them. I should prefer, therefore, to make the statement tomorrow afternoon.

IMMIGRATION

COUNT JACQUES DE BERNONVILLE

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to ask a question of the Minister of Mines and Resources. Is the minister prepared at this time to make a statement about Count Jacques de Bernonville?

Hon. J. A. MacKinnon (Minister of Mines and Resources): Mr. Speaker, the intention of the hon. member for Winnipeg North to ask a question reached me through my secretary; however, the question of which I received notice was somewhat different from the one which has been placed before me today.

Inquiries of the Ministry

I am not going to make a statement at the present time in connection with this case, except to say that Count Jacques de Bernonville, a citizen of France, did apply in Montreal for permanent admission to Canada. His application was rejected because he did not come within the admissibility clauses, and further, because he was certified as being a prohibited person, on medical grounds.

Count Jacques de Bernonville appealed against that decision, and I dismissed the appeal. He then took habeas corpus proceedings, and the press has informed me that the appeal was granted this morning. I have not seen the judgment, but I have instructed my officials to have the immigration board reconstituted and the case proceeded with, on the assumption that what I am informed by the press is correct.

Mr. Stewart (Winnipeg North): I apologize to the minister for the rewording of my question.

INCOME TAX

APPEAL BOARD—INQUIRY AS TO OPERATIONS AND PROCEDURE—SITTINGS OUTSIDE OF OTTAWA

On the orders of the day:

Mr. E. G. Hansell (Macleod): I should like to ask a question of the Minister of Finance. I am sorry I did not give him notice, but perhaps he will make a statement tomorrow. When will the income tax appeal board begin its sittings, and what procedure would be required of applicants? Will the minister also indicate the method by which the board will inform the public where and when they will be in various localities?

Hon. Douglas Abbott (Minister of Finance): The income tax appeal board comes under the jurisdiction of my colleague the Minister of National Revenue. Perhaps he will answer the question.

Hon. J. J. McCann (Minister of National Revenue): The income tax appeal board is already set up, and is functioning to the extent that regulations are being drawn up under which the board will act. The office of the board will be on Mackenzie avenue, in the offices formerly occupied by the wartime prices and trade board. If the regulations were not in last Saturday's *Canada Gazette,* they will be in the *Canada Gazette* of this week.

Mr. William Bryce (Selkirk): I should like to direct a question to the Minister of National Revenue. What arrangements have been made to have the new income tax appeal board sit in the provinces in the west? Is it to sit only in Ottawa?

Hon. J. J. McCann (Minister of National Revenue): It is the intention of the income

tax appeal board to hold sittings from time to time in different parts of the country, but an itinerary has not yet been arranged.

NATIONAL DEFENCE

ARTILLERY RANGES—HALIBURTON COUNTY

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.) I should like to ask a question of the Minister of National Defence. Is it true that a new artillery range will be established in Haliburton county? If so, where; and will the one at Petawawa be abandoned?

Hon. Brooke Claxton (Minister of National Defence): There is no intention whatsoever of abandoning the range at Petawawa.

Mr. Hodgson: The minister answered only my second question.

Mr. Claxton: I am sorry; I did not hear the first question.

Mr. Hodgson: Is it true that an artillery range will be established in Haliburton county?

Mr. Claxton: I will have to look into that matter, but I would doubt it very much. The two major ranges we have in Canada are at Petawawa and Shilo. Certainly I have not had submitted to me for my approval any suggestion respecting a further artillery range. However, one may be under consideration; I shall make inquiries and answer the hon. member as soon as those inquiries are made.

With regard to Petawawa, a considerable extension of buildings and equipment has been going on. The range is being developed rather than curtailed.

Mr. Fulton: With the big guns of the Liberal party.

TELEPHONES

QUESTION AS TO USE OF RECORDING DEVICES BY MINISTERS AND PARLIAMENTARY ASSISTANTS

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, how many cabinet ministers and parliamentary assistants have recording devices attached to their telephones? What is the purpose of such devices, and who installed them?

Right Hon. L. S. St. Laurent (Prime Minister): I received notice of the question only about an hour ago, and was able to get in touch with the cabinet ministers who are present today. I can say that not one of them has the recording device referred to in this question. One of my colleagues—possibly two—I have not been able to reach, and I have not had time to reach the parliamentary assistants. I shall communicate with each of them, and then I shall bring down a return in the form which would be considered proper if the hon. member's question had been placed on the order paper and an order for return made in respect thereto.

WHEAT

AGREEMENT WITH BRITAIN—QUESTION OF ECA SUPPORT

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, my question might be directed to either the Prime Minister or the Minister of Trade and Commerce. It has to do with an article in the *Financial Post* of last Saturday to the effect that Canada stands in great danger of losing economic co-operation administration support for her wheat agreement with Great Britain. The article continues: "Whether the fund will then be withdrawn from us, or whether an alternative solution can be found"—

Mr. Speaker: Order.

Mr. Diefenbaker: —"is not clear." My question is this: While in Washington did the Prime Minister deal with this matter? It is of great importance to Canada. Is there any danger at the present time of the United States withdrawing ECA support in relation to the purchase of British wheat in Canada under the United Kingdom agreement?

Right Hon. L. S. St. Laurent (Prime Minister): The hon. member's question is similar to one from the hon. member for Moose Jaw (Mr. Thatcher), of which I received notice when I came into the house. His question is expressed as follows: "Would the Prime Minister state whether during his recent visit in Washington he received any American assurance that Canadian wheat will continue to be purchased under the Marshall plan, despite the present United States surplus?"

The conversations I had with the President of the United States covered a fairly wide range of subjects, and were of course private and confidential. I cannot give any specific information at this time as to the views or conclusions which may have been reached in regard to the matters discussed. I can say, however, that the president indicated a friendly understanding of the Canadian position in regard to wheat exports. I do not think I should go beyond that, without asking special leave from the president to be more specific.

TRANS-CANADA AIR LINES

DESTRUCTION BY FIRE OF ADMINISTRATION BUILDING AT VANCOUVER

On the orders of the day:

Mr. Howard C. Green (Vancouver South): I should like to ask a question of the Minister of Transport. Apparently the administration building and control tower of the Vancouver airport were destroyed by fire over the week-end. Are any steps being taken to make sure that the airport can be kept in full use, despite this loss?

Hon. Lionel Chevrier (Minister of Transport): The district controller of air services advised officials of the Department of Transport that the administration building at the airport had been destroyed on Sunday, but that the other services, such as radio, meteorological and lighting services, had not been affected and were in full operation. However the service had to close down on that day.

Today departmental officials have been informed that the air traffic centre is again operating normally. The building is owned by the city, but we are interested to the extent of several thousand dollars. All arrangements are being made to house the officers of the Department of Transport in radio and meteorological buildings.

Mr. G. A. Cruickshank (Fraser Valley): I should like to ask a question supplementary to that asked by the hon. member for Vancouver South (Mr. Green) in regard to the unfortunate airport fire. Will the minister give consideration to transferring the terminal of the T.C.A. to the only fog-free airport in British Columbia, located at Abbotsford in Fraser Valley?

RAILWAYS

PAINTING OF DIESEL TRAINS IN BRIGHT COLOURS TO ASSIST IN AVOIDING ACCIDENTS

On the orders of the day:

Hon. Lionel Chevrier (Minister of Transport): Last Friday the hon. member for Lethbridge (Mr. Blackmore) asked the following question:

In view of the increasing use of fast-moving diesel trains on our railroads, will the minister consider the advisability of providing that such trains be painted in some bright colour, such as yellow, to help highway travellers to see such diesel trains sooner and thus avoid fatal accidents?

I asked the officials of the board of transport commissioners to give consideration to the suggestion of my hon. friend, and I am informed that the question of using distinctive colours for diesel operated trains has been under consideration for some time by the board and the railway companies. In fact some discussions are going on at the present time, but no decision has been reached.

WHEAT BOARD ACT

AMENDMENTS OF SESSION OF 1947-1948—QUESTION OF NECESSITY FOR PROVINCIAL LEGISLATION

On the orders of the day:

Mr. T. J. Bentley (Swift Current): I should like to direct a question to the Minister of Justice, notice of which I sent him. Is the minister prepared to give a ruling as to the need for provincial legislation to make effective the amendments to the wheat board act passed at the last session of parliament?

Hon. Stuart S. Garson (Minister of Justice): The minister has not been asked for a ruling as to the need for provincial legislation to make effective the amendments to the wheat board act passed at the last session of parliament. The whole matter to which this ruling would refer is now under discussion with the premiers or their representatives, and with representatives of the farm organizations of the prairie provinces.

Mr. Knowles: Didn't you get your own letter?

GRASSHOPPERS

SASKATCHEWAN—FEDERAL ASSISTANCE TO MINIMIZE DAMAGE

On the orders of the day:

Mr. E. B. McKay (Weyburn): I should like to ask the Minister of Agriculture a question, notice of which I have sent him. In what way is the federal government assisting in order to minimize damage likely to be caused in Saskatchewan by the heavy grasshopper infestation in that province?

Right Hon. J. G. Gardiner (Minister of Agriculture): There has been a well-arranged understanding between the provinces and the federal government with regard to grasshopper infestation. We are carrying on this year in exactly the same manner as we have in other years in the matter of assistance.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, February 4, consideration of the motion of Mr. D. F. Brown for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, at the time this debate was adjourned I was speaking on the amendment to the amendment, and dealing with certain questions which had been raised having to do with dominion-provincial relations and with certain of the points which had been discussed.

In the course of the earlier discussions I was amazed to hear the suggestion that there was occasion for surprise at my having discussed subjects which were not clearly set out in the speech from the throne. If there is one principle which should apply in the debate on the speech from the throne it is that those who are not supporting the government on the motion should be able to point to things which have been omitted from the speech from the throne. To carry the argument to the ultimate absurdity that has been put forward would mean that it would only be necessary to present a speech from the throne which said nothing, and then there would be no debate at all. Obviously the less the speech from the throne says, the wider the field of discussion must be outside of the actual wording of the speech itself.

The speech from the throne is simply a statement by the government as to what it proposes to put before the parliament of Canada. They are not the words of the king's representative; they are the words of the government. Under our constitutional procedure the king's representative reads the statement of the government to the parliament of Canada. It is then the duty of hon. members speaking in the debate to examine that statement of the government, and to point out what they think should have been included, as well as any defects they see in the statement itself.

Having regard to the importance attached by many members of the opposition to dominion-provincial relations, as indicated in their speeches to this house, it is indeed surprising that there was no reference to that in the speech from the throne. It was because it is so vitally important that I discussed it.

I should like to point to something in the speech from the throne which, though it was brushed over lightly and without much comment, is of immense importance to hon. members of the house and to the people of Canada. In the first paragraph of the speech, reference is made to certain dangers in the existing situation, and it is stated that "one of these is the communist menace." A little later the speech refers to "international communism"—those are the words; nothing more. At another point it uses the words, "in striking contrast with communist countries", speaking of the situation here in Canada. Later on in the same paragraph the words "influence of subversive doctrines" are used. That is the only reference, direct or indirect, in the speech from the throne to the subject of communism and its effect on domestic conditions or external relations of Canada. I am convinced that among all the things with which we are called upon to deal, there is no single subject of greater importance than the threat of communism in the world, and the threat of communism right here in Canada.

In this house we have heard statements by the Secretary of State for External Affairs (Mr. Pearson) in answer to questions in regard to what would be done by this government in respect to the trial of Cardinal Mindszenty. Questions have been asked as to what this government proposes to do about the trial of fifteen Protestant evangelical clergymen who have been arrested in Bulgaria and whose trials are to commence next Monday. We also know that in recent months the Lutheran bishop of Hungary was arrested and is in custody. The same pattern is being established all over Europe on the other side of the iron curtain. In Paris only a few days ago Mr. Selden Chapin, United States minister to Hungary, now on his way home to Washington from Budapest, said:

> As far as conditions are concerned in the country I left yesterday I would like to say this much: that no one today, except the blind and the twisted, can fail to see that the Hungarian people are under the complete total domination of a group of Moscow-trained communists whose sole allegiance is to the Kremlin.

Those words, Mr. Speaker, describe the situation in every one of the countries of Europe where the communists have seized power. Today as never before we see the pattern of communist suppression taking its clear form and being displayed before the whole world through the press reports that come from those countries. As has not happened in centuries, all religion, and particularly Christianity, is being suppressed, is being persecuted, is being fought by the communists in accordance with the stated purpose of that vile doctrine, and in exact accordance with the promise of Lenin that they would fight religion in every way they could.

But this has been true at all times. The only difference now is that it is clearly before the eyes of every one of us to read, to see, and to understand. I am sure that there is not a thoughtful person in the world today who believes that the trial of Cardinal Mindszenty was anything but a cruel sham

from beginning to end, and that every device employed by the vilest form of tyranny the world has ever known was used to produce precisely the pattern which is emerging already in Bulgaria. With the trial there a week away, the reports of reliable press agencies carry the story that two of the ministers who are to be tried have already made confessions of their guilt of supposed crimes that are parallel to those attributed to other religious leaders who have been persecuted in the same way on earlier occasions.

Surely no one can be so lacking in a sense of reality as to imagine that these religious leaders of different denominations and in different countries could, under any conceivable circumstances, all have been guilty of precisely the same technical offences in each country, although separated by hundreds of miles. Read the charges that are to be preferred in Sofia next Monday. They read almost word for word with those that were preferred against Cardinal Mindszenty, that were preferred against the Lutheran bishop of Hungary, that were placed before the clergymen who were tried earlier in Roumania. It is the same pattern that has been followed through the whole of Europe on the other side of the iron curtain.

The whole picture of cruel and vile suppression of religious freedom, which is now unfolding before the eyes of the free world, follows right through from the murder of the metropolitan of Russia immediately after the revolution of October 1917. Through the years it has been the same; through the years communists have sought to destroy the firm rock of Christianity throughout the world because they know that it is the strongest defence against the evil doctrines that they preach. We have gone through a period when it was difficult for people to realize that this suppression of religious freedom was a reality. In fact misguided religious figures have come to this country, and to other countries, and said that there is in fact religious freedom in Russia today, and that there has been religious freedom throughout the years. It is difficult to use temperate words in describing the effect of such a misinterpretation of what has been going on in Russia. In this regard I am not depending upon secondhand information. I have seen the anti-religious museums in Russia. I saw the anti-religious museum on Gorki street in Moscow, where any visitor to Moscow before the war could have seen it and should have seen it, because it was operated by the state; and it was recorded in their literature describing the things that should be visited in Moscow. It was used for the purpose of holding up to ridicule everything that people who believe in Christianity hold dear.

That anti-religious museum is not there today. In the intervening years the leaders of communist organization in Russia decided that it would be easier to gain the support of the western world if they removed this evidence of their real purpose. Therefore the large anti-religious museum on Gorki street has been torn down, as have other anti-religious museums which I saw there before the war. These were only the visible and clear expressions of a determined effort by the state to suppress religious observance in every way, and to try to instil in the minds of the children growing up in Russia a lack of faith in the religion of their fathers and their mothers. It has not succeeded; the core of religion is still strong there, but only because of the inner faith in the hearts and minds of the Russian people themselves.

What we are seeing now is part of the clear, stated pattern of the communist party in Russia and in every land where it gains power. They are opposed to all religion; but, as it happens, it is the Christian faith that is coming most directly in contact with communism today in all those countries throughout Europe where it has been such a deep and fundamental part of the lives of the people ever since the beginning of the Christian era. Never before in the lifetime of any one of us was there so much reason for unity of purpose on the part of Christians of every denomination, who see their beliefs challenged by this anti-Christian, anti-religious force which has spread its power over such a great part of Europe within the past few years.

The Prime Minister has stated that tomorrow he will make some statement in regard to this matter. When that statement is made I hope it will leave no doubt about the indignation of the government of Canada, of this House of Commons and of the people of Canada that freedom of worship should be suppressed and challenged as it is challenged in so many parts of the world today. I hope that from this house will go clear and positive evidence of the indignation we feel, and that on the part of all free nations there will be expressions of indignation more vigorous, more challenging and more effective than anything yet uttered in regard to the indignities which have been visited upon religious leaders in Hungary, Bulgaria, Roumania and other countries of eastern Europe.

But it is not only what we say, Mr. Speaker. The vigour and promptness with which our indignation is expressed will have much to do with the effectiveness of the course that is to be followed. We are only one nation, it

is true, among many nations; but the voice of Canada is respected in Europe and throughout the world, and our motives are not challenged. Few voices could be raised which would be heard with greater respect than that of this free nation, which, with its thirteen million people, has come to occupy such a tremendously important position in the family of nations. As a nation we have our own responsibility, which is not dependent upon the course followed by any other nation. Whether or not any other nation is prepared to state its position vigorously, whether or not any other nation is prepared to express its condemnation in terms that can leave no doubt, our duty is clear. We should say what we think of these outrageous breaches of the most precious of all the freedoms that have been assured to the peoples of the world by the charter of the United Nations. That charter, signed by Russia and by many of the nations in which religious and other freedoms are being suppressed, is the instrument under which the meetings of the United Nations take place. It seems to me that if the meetings of the United Nations are to have any sense of reality whatever there is no subject that can be placed on the agenda ahead of the subject I am now discussing, and there is nothing that calls more strongly for immediate action by the members of the United Nations than the barbaric conduct of the communist governments of those countries which take their orders from the Kremlin. At this supremely critical hour in the history of the world, let us as Canadians speak with a strong, determined and united voice, making it clear that no matter what may be said in any other land we are agreed that by every means within the authority of the United Nations, of which we are a member, steps should be taken to restore that freedom which was promised when the nations met at San Francisco and signed this historic charter.

As we examine the events happening abroad, as we look at the evidence of this vile tyranny never exceeded in its cruelty or barbarity in the long history of mankind, we should not only consider what our responsibilities may be to those beyond our borders who suffer under that tyranny today. It seems to me that at such a time we should consider the position right here in Canada, and what we should do with the communists who are seeking to undermine the strength of this great and free state. Many woolly-minded intellectuals still toy with the idea that communism in Canada is just another form of political thinking, and that under no circumstances should we place it in any different category from that of other political points of view which we say should be freely expressed, no matter how much we may agree or disagree with them. Those who argue that communism is only another form of political thought cannot have carefully examined what the Canadian communists themselves have said to be their purpose. As we have impressed upon us so dramatically what has happened in such beautiful free lands as Czechoslovakia, Hungary, Roumania, Poland, Bulgaria and Yugoslavia, to say nothing of the Baltic states, with their ancient traditions of freedom going back centuries before our own, it seems to me we should examine just what the communists have told us really is their purpose.

Of the intention of the communists within our borders, we in Canada have a more accurate statement than exists in any other country. That is the result of two extremely important and useful series of trials which took place some fifteen years or more apart. In the first of those trials Tim Buck, the then leader of the communist party here in Canada —and he is still the leader of that party— was convicted along with seven other communists and sentenced to a term in the Kingston penitentiary. Following the discovery of espionage activities here in Ottawa and elsewhere, further trials took place, and we have a clear, unchallenged and unchallengeable statement of what the communists really intend to do. Let me just read their own words, and only a few of them; they leave a clear picture of what they are trying to do.

In no field of human relationships have the communists been more active than in that of labour relations. That is so because of their stated purpose. In the past few days in the press we have read of the vigorous disputes which are taking place within the ranks of organized labour in this country and of how those who are opposed to communism are challenging those who support communist ideas and who today occupy official positions in unions in this country. For that reason it is well for us to see just what Tim Buck himself has said as to the purpose of this activity. These are his own words, and they are in recorded evidence which, fortunately, is preserved and will be preserved. I am quoting from a statement made by Tim Buck to his lords and masters in Moscow as to what they were trying to do here in Canada. These are his words:

> The political line of our party is to utilize this tendency of radicalization by adopting a policy of developing demands and initiating movements in different industries . . . On account of the position of the Canadian working class it is necessary to develop demands in advance rather than merely wait for sporadic outbreaks. Spontaneous strikes do not generally assume the proportion or the possibilities that the spontaneous strikes in the United States do, because of the difference in the size of the centres

and the industrial concerns. The political value of these strikes therefore tends to be less, unless we ourselves can prepare them in certain industries. The result is that we have adopted the policy of developing demands in many industries and on this basis sharpening relations and developing strike movements.

That is a clear enough statement of what their purpose is. What then do they seek to achieve if they are able to carry forward that first objective?—which, I might say, is similar to the stated objective put forward in a circular recently sent out to every communist in Great Britain by the head office of the communist party there. Is this line just for the purpose of causing friction and dispute? No; it is not. Again we have Buck's words as to what their intention is:

Once we have mastered the political strike, the general strike is but a step. And the general strike during a political crisis is the gateway to revolution.

That language seems strong enough and clear enough. But the communists tell us, while they are still putting on their mild and false fronts, that they are not talking about a revolution such as the Russian revolution or any of the other bloody revolutions which they have stirred up and brought about in order to gain power. But again we do not need to guess what kind of revolution they mean, because the communists make sure that their party followers know the meaning of the words they use, and they have therefore defined "revolution" in their own statements. This is the definition used in their official statements:

Revolution means an historic event when one part of a population imposes its will upon the other part of a population by bayonets, guns and rifles.

That language is clear enough. No matter how mild or how honeyed may be the expressions of those who put forward the communist doctrine here in Canada, that is what they mean by the words they use. Those are the definitions they have given their own people. Those are the intentions they have put before them. What, according to their own words, is their ultimate objective by that bloody form of revolution? Again we have Buck's own words. Hitler was not the only one who put his purpose into book form. Buck, it is true, has not written quite so thick a volume but he has stated his purpose; and in one of his books "What We Propose", this is what he tells his followers and anyone who wants to read his words:

We shall lead the workers forward through struggles to power and the victorious establishment of our soviet Canada.

Let no member of this house or no Canadian laugh at the suggestion that these people are working deliberately, carefully and with an ultimate hope of success, for a soviet Canada. Let it be remembered that in Czechoslovakia, in Yugoslavia, in Bulgaria, in Hungary, in Roumania, in Poland, in Latvia, in Lithuania, in Esthonia, and in every country now under the communist yoke, there were times when the percentage of communists in the population was smaller than it is right here in Canada today. Let us not ignore the reality of this threat when one of the senior officials of the communist party in Canada can run for the office of controller in the city of Toronto and receive over 40,000 votes in the municipal election, coming within striking distance of being elected. In fact, on an earlier occasion this man was elected.

Mr. Mitchell: Is that the only place in which it happens?

Mr. Drew: No, it is not. I took Toronto, of course, because it happens that the total vote was larger there than in any other city; but unfortunately they have elected communist representatives in other municipalities and in other provinces. Because of this, and because of what they are trying to do, it may be well to read a few words more of what Buck has said. These are his words:

Few radicals realize the value, in a struggle such as this, of official positions in local bodies; and yet local officers have, if organized, tremendous power; and the education and training gained by holding such positions makes for local secretaryships, presidencies, vice-presidencies, etc., points of strategic importance, possession of which might easily make the difference between victory and defeat.

These words indicate exactly the course which has been followed in other countries. They obtain official positions of various kinds, and then use these official positions to gain power, and always to gain power with nothing but a very small minority of the population behind them. In this country, as I have said before, we have the evidence of what has happened. We have the evidence which has been produced at trials, and it is evidence given under oath. That is valuable to us and to others.

However, one of the reasons why communist activity has gone as far in Canada as it has, and one of the reasons why communist espionage in Canada had succeeded so well as it had, was that effective steps had not been taken earlier to suppress communism in Canada. I spoke about the first trial when Buck and several others were sent to Kingston penitentiary. They were sent to Kingston penitentiary under section 98 of the Criminal Code.

Mr. Parent: Who took it out?

Mr. Drew: That section was repealed by the government which still sits on the opposite side of this house, and they put nothing effective in its place. They left that place

vacant in the Criminal Code and it is still vacant. Many people, including certain hon. members in this house, appear to have the idea that section 98 of the Criminal Code was an arbitrary provision directed at the suppression of communism. That is not so. Section 98 of the Criminal Code made it an offence to plan or to conspire to overthrow by force this free system of ours. It went further and provided that any organization which has for its purpose the overthrow of our free system by force could be declared by the courts an illegal organization, and that membership in that organization, with knowledge of that fact, was a criminal offence punishable by imprisonment.

Section 98 of the Criminal Code could have been improved and reworded, but it dealt with something that there should always be power to deal with. It provided a means of dealing with subversive organizations whose activities fell short of the very limited provisions which make it possible to convict for treason.

In the face of the words which I have read, namely, Buck's own statement that they are working for revolution, with their own definition of a bloody revolution, with their purpose declared as being a soviet Canada, who can doubt the evidence available to place before any court to show under a proper section of the Criminal Code that the communist party is a disloyal and treacherous party which should be denied the right to organize and to carry on its activities in Canada?

There are those who say that we must not endanger freedom. The very time when freedom is threatened is the time for freedom to be protected, and protected against those who do not seem to understand the seriousness of the subject with which we are dealing. It is extremely important that there be a provision which makes it possible to take into the courts those who are receiving their instructions from outside of Canada, and under those instructions from outside of Canada trying to set up a vile dictatorship here on the same pattern as has emerged in the past few years in so many countries in Europe. By all means, let us protect freedom, but freedom does not mean freedom to destroy freedom itself. We should make it possible by clearly defined, well-drawn provisions in the Criminal Code to have this subject dealt with by our courts in the true democratic way.

I am not suggesting for a moment that we should place on the statute books any statute which gives to this government, and this government particularly, power by order in council to deal with the freedom of any individual. I am not suggesting that power should be placed in the hands of this government, and particularly this government, to hold inquiries in secret as a basis of subsequent prosecution. Let us have a clearly drawn section of the Criminal Code which will make it possible for the courts to find that any organization which has as its stated purpose the overthrow of our free system is guilty of a criminal offence and that those who, as members of that organization, take an active part in an attempt to overthrow our system shall also be guilty of a criminal offence and punishable by a long term of imprisonment.

Let us go still further; it has been stated here that communists would not be employed in secret posts of the civil service, where their treacherous activities could so easily become effective on behalf of the sovereign state they serve.

Only a few days ago in Great Britain several highly skilled chemical engineers were dismissed because of their known communist affiliations. If it is a ground for denying the right to serve in the civil service, then surely it should also be a ground for denying the right to those people to sit in the parliament or the legislatures of Canada. If it is dangerous to have these people in places where their known treachery can undermine our system, then why permit them to sit in those legislative bodies where the laws of the country are made and where, even if only by power of suggestion, they can undermine confidence by their constant appeals to prejudice, and to the various slogans and devices they employ?

If anyone wants to know why communists are so often to be found actively associated with supposedly worthy objects, it is necessary for him only to go to Lenin, whom they follow rigidly and so precisely. Lenin put the proposition before them in this way:

> Is there a single class of the population in which no individual, groups or circles are to be found who are discontented and therefore inaccessible to our propaganda? Our task is to utilize every manifestation of discontent and to collect and utilize every grain of even rudimentary protest.

That explains the mechanism of their efforts. They seek the ground of discontent; they seek the ground of dissatisfaction; and then by joining in apparently innocent false fronts, they fan the flames of prejudice. They use slogans which have been handed down from the German, Karl Marx—and which, unhappily, are no less effective today than they were a hundred years ago. In fact, with all the power of radio, and other media of propaganda, they are more effective than ever before.

Unfortunately many people repeat those slogans and that type of propaganda, without realizing that these are weapons drawn from the arsenal of Karl Marx. With the threat

abroad, and with the threat here at home, the highest duty of Canadians is to do all within their power to strengthen the fabric of Canadian life. We are told that the best way to resist the advances of communism is to create conditions in which communism cannot exist. Unquestionably, the worse conditions are, the easier it is to fan the flames of prejudice.

But it is not necessary for conditions to be bad in order to have communists carry on their activities, and in order to have others who are not communists repeating communist slogans, often without knowing where those slogans had their origin. The arguments of Karl Marx against our free system, written one hundred and one years ago and repeated over and over, are repeated now by other than communists. They undermine public confidence; they undermine respect for authority; and instead of assisting in improving the conditions of the people they serve only to delay the effective solution of problems by creating uncertainty, discontent and strife, which prevents that measure of cooperation and unity which would make it possible for people to join in bringing about a solution of any of our problems under our free system.

The draftsmanship of legislation is the responsibility of the government—because there are two aspects to every bit of drafting which must be done. One of those is the legislative, and the other the administrative. The best drafted piece of legislation will be ineffective unless it is properly administered, and with an intent on the part of those responsible for administration to carry it into effect.

Therefore under our system actual drafting is the responsibility of the government itself, in respect of those matters of major importance which are incorporated in our great laws, and which they must administer. The Criminal Code is one of those in which administration goes hand in hand with legislation. Because of that blank spot in the Criminal Code where section 98 once was, communists have been running free here in Canada, and have been doing their dangerous and deadly work with very little interference—except when their activities became so extreme that, consistently with the safety of the state itself, prosecutions at the very highest level could not be avoided.

But there is all this other activity going on today, activity which is not confined to any one field. Do not let anyone take from what I have said the suggestion that this is in only one field. Right here in Ottawa, through official representatives of governments, behind the iron curtain, communist propaganda moving pictures have been circulated in Canada and shown to Canadian children by various organizations masquerading under cultural names. I have seen those pictures: they are clever; they are dangerous.

These highly trained men, many of them trained in the school of political warfare in Moscow, organize very attractive-sounding social groups, invite the children in and show them pictures of what is happening in the lands behind the iron curtain. I remember one picture taken in Budapest itself, a place about which we have heard so much, and about which at this time we should hear so much. That picture showed the scene of destruction. It showed all the beauty of Budapest destroyed by the cannonade at the close of the war. It was stated that the picture showed the destruction that had been done by the German army which was serving the cause of the capitalist west. But then in came the communist army and with garlands draped about their necks and with love exuding from every pore they marched along the streets, acclaimed by the population which realized that salvation was being brought to them under the hammer and sickle.

They did not tell anybody that those pictures showed the destruction that had occurred through the wanton actions of the Russian artillery, absolutely unnecessary action at a time when resistance in the city had ended. There had been destruction, but all those beautiful spots along the Danube, the Fishermen's walk, St. Stephen's church, the Golden bridge, all those things that have inspired a sense of pride in those who have seen them over long, long years, were destroyed, mainly by the wanton activities of the Russian army itself. But communist propaganda will use any destruction in an event of that kind as grist to their mill.

These things have been going on and I suggest that the time is long overdue for the government of Canada to instruct every official office which represents any country now dominated by a communist government that if it is to remain here it is not to circulate communist propaganda in that way. We even had an example of effrontery in one of these ministries taking it upon themselves to attack me as premier of Ontario. I am not concerned with any personal attack, but I occupied an official office, as do others in this country. A communist ministry issued a paper criticizing a statement I had made about the activities of certain communists behind the iron curtain and the publication of a letter which indicated their efforts to threaten people here in Canada. Just imagine what would happen to anyone in their country who had the temerity to circulate for

general publication criticism of the all-powerful government within their land. Let us show these people that when they have official representatives here, no matter how wrong their ideas may be and no matter how foul the system which they serve may be, we do not want any of their activities carried on in Canada outside of their own official places.

Therefore I urge, and in urging I hope that this will be dealt with in the spirit of urgency which it demands, that there be drafted a clear and explicit and effective section of the Criminal Code along the lines I have suggested so that by appropriate judicial decision in our courts, consistent with the great traditions of our free laws, those who seek to impose a foul and evil dictatorship here in Canada shall receive the punishment they deserve.

I should like now to refer to something that was stated earlier in the debate. In his reply to my earlier remarks the Prime Minister (Mr. St. Laurent) challenged me to give an example of centralization. We have several examples before us in the resolutions that we have been called upon to deal with, one of which has been considered already. They embody, within the powers dealing with the control of industry, the control of agriculture and the control of currency, as wide a measure of centralized power as any country has ever had in years of peace.

I want to refer to another example of centralization which seems to have escaped the government's attention. It is a very old statement that power to govern is the power to tax. It is perfectly clear that if any government is to have full discretion to do those things that it thinks should be done on behalf of the people it serves, whether it be a national, provincial or municipal government, it must also have discretion over the amount of the revenue which it can raise to carry out its responsibilities. If it has not that discretion then its legislative discretion obviously is limited.

We had great centralization in Canada during the war years. As has been said, the provinces of Canada concurred in that centralization as a temporary measure because the waging of a war, of the nature of the war in which we were engaged, called for the centralization of direction of military production, of military supplies and of all other supplies which seemed to justify a corresponding centralization of provincial power. But it will be recalled, and I want to repeat it, that when the government asked the provinces to agree to centralization of that kind they gave their solemn undertaking that at the close of the first full fiscal year after the end of hostilities the taxing powers of the provinces would be restored undiminished. That undertaking has been honoured only in its breach.

Let us see exactly what has happened in regard to the taxation with which the various levels of government carry on their business. In 1939 the taxes collected from the taxpayers of Canada, who are the same taxpayers no matter which administrative body draws the taxes, amounted to $915 million, which was divided as follows:

Dominion government	$468,000,000
Provincial governments	172,000,000
Municipal governments	274,000,000

I ask you to realize the implications of those figures. They constitute the following percentages of total taxes collected from the taxpayers of Canada: The dominion government collected 51·2 per cent of all taxes, provincial governments collected 18·8 per cent, and municipal governments collected 30 per cent. May I repeat those figures, because the position has changed so greatly. The dominion government collected 51·2 per cent of all the taxes collected from all the taxpayers of Canada; provincial governments collected 18·8 per cent; and municipal governments collected 30 per cent.

Let us see what has happened in the intervening years. The year 1947 is the last full fiscal year for which figures are available, and the figures used are to the date nearest to December 31 ending a fiscal year. The dominion government was then collecting $2,452 million; the provincial governments collected $398 million; and the municipal governments collected $346 million. But let us see what happened to the percentages. The dominion government is now collecting 76·7 per cent of all taxes collected from all taxpayers. The provincial governments are collecting 12·5 per cent, and the municipal governments 10·8 per cent. If it were possible to imagine greater centralization than that, I would find it difficult to suggest what it could be.

There are other percentage figures which illustrate even more vividly what has happened—the percentages of the total amounts collected by the different governments in relation to the amounts collected in 1939. In 1939 the dominion government collected $468 million, and in 1947 $2,452 million, an increase of 423 per cent. In 1939 the provincial governments collected $172 million, and in 1947 they collected $398 million, an increase of 131 per cent. In 1939 the municipalities collected $274 million, and in 1947 they collected $346 million, an increase of 26 per cent.

Let us see what this means. Municipal councils, and they are municipal governments,

those local governments that are closest to the people and which do those things which in many ways are of most concern to the people in their daily lives, have had greatly increased responsibilities in the intervening years. Yet because of the centralization of taxation those municipalities are able to increase their revenues by only 26 per cent. When you consider the commodity value of the dollar you find that in the actual working dollar the municipalities are collecting less today than they were in 1939. That is the reason that so many of our municipalities are now pressing at every meeting of municipal bodies in every province of Canada for a general adjustment of the taxation structure of the country, so that they may be able to obtain adequate revenues for their tremendously important responsibilities without stifling the initiative of those who want to buy or build homes in these communities.

One of the reasons that there are some limitations on the possibility of building homes in many communities today, when the bank deposits of our people are at such a high level, lies in the concern about municipal taxes as they are. If many of these municipalities carried out all the things that they really want to do, and legitimately want to do, on behalf of their people, they would have no choice but to increase still further the burden of municipal taxation. The tremendous centralization of taxing power is having its impact upon the ability of municipal governments as it is having its impact upon the discretion and the power of provincial governments to carry out their many duties.

In the course of this debate the Minister of Justice (Mr. Garson) explained that, while I was premier of Ontario, I put before the conference held in Ottawa figures which it is was impossible for the dominion government to consider, and therefore they had no choice but to end the conference and refuse to call it together again. Let us see exactly what has happened in that respect. We put forward proposals at that conference, and Mr. Ilsley said that no government with any sense of responsibility could have considered them. It is very interesting to see what happens when times change, and when a government seeks to gain the favour of the provinces by progressive increases of the contributions they are making. I made proposals on behalf of the province of Ontario—and they were not the only proposals—which the dominion government should have examined. They should have examined them, and they should have come back and met us again after they had.

Mr. Bertrand (Laurier): May I ask the hon. member a question?

Mr. Drew: Yes.

Mr. Bertrand (Laurier): For 1939 he gave a figure of $468 million representing the taxes imposed by the federal government, and for 1947 the figure he gave was $2,452 million.

Mr. Drew: That is right.

Mr. Bertrand (Laurier): Can the hon. gentleman tell us what amount of the increase was owing to the fact that we were at war, and that we were spending for war while the provincial and municipal governments were not?

An hon. Member: Not in 1947.

Mr. Bertrand (Laurier): During all those years.

Mr. Drew: Mr. Speaker, there is no question about very substantial payments being made on account of the war; no one would suggest otherwise. But anybody would be far from reality if he suggested that the whole or even the major part of the increase was the result of what we expended on the war. It is true this concentration has developed during the war years, but it is also true there has been a great concentration of powers, and the entry by this government into fields that were not their own. I shall follow my own trend of thought and then come back to that point. That will be more simple, because I want to deal with one minor example, but one which illustrates my point. Under the proposals that I put before the Ottawa conference in the spring of 1946, the adjusted payments on those proposals, having regard to increases in population and so on, would be $235,656,000. That is to all the provinces if all provinces had accepted payment from the dominion government under our proposals in a transitional agreement. The figure is $235,656,000. The actual amount that is being paid now on the payments that are being made to seven provinces under the Abbott proposal is $240 million, or $5 million more than the proposals I put forward at that time. Yet we were told by Mr. Ilsley at that time that no government with a sense of responsibility could have accepted them. If that is so I can only suggest that a proper definition be found of the action of this government in raising the ante as it did.

The fact is that at that time six taxes were being collected by the dominion government which previously had been collected by the provincial governments alone. They were the succession duty, the amusement tax, the gasoline tax, the stock transfer tax, the parimutuel betting tax and the tax on electricity;

and the total of those at that time was $102 million. They said they could not give those up; they could not think of it. The only one they have not given up is the succession duty. The other provinces kept urging for further consideration. They got it, and one by one those other taxes were given up. That is what has happened in the years intervening since the adjournment of that conference.

I was asked a question a moment ago, and I want to point out how a great many of these costs could be checked and where a certain amount of care could well be exercised, and why it would be highly desirable to have an inquiry into government administration similar to the Hoover commission in Washington. In a flattering way hon. members opposite as well as some to my left seem to have been assiduous in reading past speeches of mine, to which I pay much less attention today than they seem to. The interesting thing, however, is that throughout all those speeches I was emphasizing a basic principle which has never changed; that is, that I believe under our federal system there should be a strong central government with clearly defined powers and there should be strong local governments with clearly defined powers, all having taxing powers, clearly defined, adequate to carry out their responsibilities. For years I have criticized overlapping as between the dominion government and the provincial governments. I have criticized increased overlapping on the part of the dominion government, as I have criticized overlapping by the provincial governments. By such an inquiry as was urged by myself and others at the dominion-provincial conferences that overlapping could be effectively eliminated.

Let me give an example of the sort of thing that happens when you do not have an orderly functional relationship between the governments. Reference has been made briefly to this point already, but I think perhaps it will illustrate the way in which savings can be made and overlapping avoided. Under our constitution hospitalization, except military hospitalization, is under the jurisdiction of the provincial governments. Personal health is under the jurisdiction of the provincial governments. The responsibility of the federal government is in another field. In the discussions that have taken place it has been proposed that the dominion government should join in a plan under which financial provision would be made for a uniform health and social security plan covering the whole of Canada. Under our constitution, unless it is amended or changed by agreement, the administrative responsibility would rest with the provinces. But I want to give an example of the sort of thing that can creep in where you have not this clearly defined functional relationship, which does not exist today for one reason only, and that is the refusal of the dominion government to carry on these conferences. The treatment and care of the Eskimos is under the dominion Department of National Health and Welfare. Unhappily these Eskimos suffer greatly from tuberculosis. Already brief reference has been made to the construction of a hospital at Moose Factory near the mouth of the Moose river where it flows into James bay. Something was said about the fact that the contract for the construction of that hospital was let by order in council, without tenders being called for, and that the usual procedure was not followed.

Let us see exactly what happened. The Minister of National Health and Welfare (Mr. Martin) decided there should be a hospital in that area to care for the Eskimos; and no one who has seen the conditions that exist around the shores of James bay and Hudson bay would question the necessity for providing effective hospitalization for these unfortunate people, who seem to be strangely sensitive to tuberculosis because of the change from their original native condition to the somewhat more protected life they now lead. But the procedure was rather unusual. On April 6 of last year an order in council was passed approving a project of the Department of National Health and Welfare for the construction of a hospital at Moose Factory, at an estimated cost of $1,500,000, and authorizing the Department of Public Works to proceed with the letting of contracts for this purpose. It was to be a 125-bed hospital, and unquestionably extensive hospitalization is needed. The construction of that hospital was undertaken, however, at a most difficult point. Doubtless many hon. members of this house have been in that area and know the low, flat islands in the estuary just south of James bay. No doubt many have been on the island where Moose Factory is located and know how soft the water-sodden silt is and how difficult it is to build over it, and what skill and great experience in building are required at that particular point. I am not going to enter today into a discussion on the comparative merits of building a hospital of this kind at Moose Factory over on the island or at Moosonee on the mainland. There are strong contentions both ways. Moosonee is served three times a week by regular railway service coming right to the town, and consequently has many advantages. In the summer it is about three miles by rather tricky water from Moosonee to Moose Factory, and everything going to that hospital will have to be transshipped. In the winter,

of course, materials can be carried over the ice, and the route is shorter and less expensive than in summer. Most of the heavy material is in fact carried over the ice, and at the present time they are stockpiling about a thousand tons of coal, carrying it over the ice from Moosonee, to which everything must come by rail from North Bay.

Here is an illustration of why an effective functional relationship between the governments would be so important, and how money could be saved. Over long years the province of Ontario has operated extremely efficient tuberculosis hospitals. Many people who come to visit them regard them as among the best in the world in the treatment they offer. They are scattered across Ontario, and there is a large staff with a wealth of experience in treating tuberculosis.

Not only have they practical experience in hospitalization itself, but they have practical experience in the kind of buildings that are required, the type of room that is most suitable, the kind of clinical facilities that should be installed, and so on. Right from the outskirts of Ottawa through to the western end of the province are these great hospitals for the treatment of tuberculosis, with a wealth of accumulated experience behind them. If we were carrying on our health activities in this country with a due appreciation of businesslike methods, it would seem to me that the Minister of National Health and Welfare (Mr. Martin) would have gone to the Department of Health in Ontario for which this new hospital for the treatment of tuberculosis was to be put up—and was to be put up only because it happened to be the responsibility of the dominion government to deal with Eskimos—to find out from them something about their experience. He would have worked out, in co-operation with them, plans which would most effectively make use of the money that was to be expended for this purpose. He would have got some advice as to what would be the best kind of hospital.

It would also have seemed desirable that they consult those provincial officials who had the responsibility of building all these hospitals throughout Ontario, and avail themselves of their experience. Actually the province of Ontario has had some experience in building right in the area in question. We had just completed the construction of a modern school at Moosonee, and had acquired a good deal of experience which might have been helpful. What actually happened was this. By order in council a contract was let to the Sterling Construction Company Limited of Windsor, Ontario.

Mr. McGregor: That is getting close to home.

Mr. Drew: It was, of course, a fact that the Minister of National Health and Welfare knew them. There was no doubt about that. But the fact is that they were not a firm with wide experience in construction of this kind; and there were available construction companies with wide experience.

Mr. Fournier (Hull): I rise to a point of order, Mr. Speaker. I do not know what the intention of the leader of the opposition is. If he wishes to discuss that contract on the speech from the throne, I am ready, or will be later on, to answer him. When he says that the Sterling Construction Company had no experience in building hospitals—

Mr. Drew: I did not say that.

Mr. Fournier (Hull): —or buildings of this kind, I think he is wrong. I could show him the record to prove that they have had experience, and are actually constructing buildings of this type for the federal government.

Mr. Ross (Souris): Where is the point of order?

Mr. Fournier (Hull): I just want to put the facts straight.

Mr. Ross (Souris): The minister will have an opportunity to do that later on.

Mr. Fournier (Hull): If the leader of the opposition wishes to leave some impression that these people do not know their work, I must protest; because they have been doing a good deal of work for this government, and obtained their contracts after tendering for those jobs. In this case we could not get any tenders.

Some hon. Members: Order.

Mr. Drew: I am quite aware of the fact that this company has had extensive contracts from this government.

Mr. Fournier (Hull): And even from the Ontario government.

Mr. Drew: Yes, that is true. They have had some road construction contracts; and as the minister knows, of course, they were mainly a road construction company until they reorganized recently. Every one of the contracts they obtained from the Ontario government was by tender, opened in the proper way.

Mr. Fournier (Hull): As I said, we asked people to tender on this building, but could not get tenders.

Some hon. Members: Order.

Mr. Reid: The minister has a right to reply.

Mr. Drew: I am quite aware of the fact that this company had a contract to do some hospital construction in London for the dominion government; I believe it was one of the military hospitals.

Mr. Fournier (Hull): For the Department of Veterans Affairs.

Mr. Drew: Yes, for the dominion government. But that is not Moosonee. What I said was that there are construction companies which have knowledge of building in that northern area where building conditions are of a strange and unusual nature. I find it most difficult to accept the proposition that, on a cost-plus basis, any of these experienced companies would not carry out a contract. They were not prepared to carry out a contract on a fixed basis because of the uncertainty connected with building in soft, shifting sand. But that is a totally different thing from building on a cost-plus basis. While the cost was stated to be in the neighbourhood of $1,500,000, the most recent estimate is $2 million; and it is generally accepted that it will be considerably in excess of that, as was pointed out by the officials of the Ontario Northland Railway at Moosonee who knew the conditions and who pointed out some of the problems that were confronting those who undertook this contract.

The point I am seeking to make is this. The matter is one that was raised briefly on a previous occasion but it illustrates the kind of thing that would not happen if there had been an effective businesslike relationship between those departments which have similar activities.

Mr. Fournier (Hull): Oh, oh.

Mr. Drew: The Minister of Public Works may say, oh, oh. I grant that this company might not get as many contracts without competition. But the fact remains that here was a case in which all the skill of the Department of Public Works in Ontario could have been made available to this dominion department in construction of that nature, because they had knowledge of this particular type of building. There would have been available also a wealth of information as to the problems to be faced, as to certain details of hospitalization, as to the desirability or otherwise of having a large hospital of this kind, costing $2 million or more, separated from the mainland completely for the best part of a month in the fall and for a month in the spring, during the freeze-up and break-up, when patients cannot even be taken in and out by air. All of these things would have been carefully considered. The situation that I have described spreads right across the whole piece. I am not arguing as between Moose Factory and Moosonee—

Mr. Bradette: Yes, you are.

Mr. Drew: Oh, no.

Mr. Bradette: Yes, you are, and I am going to answer that.

Mr. Drew: I am not. Please do not go back to that part of the country and suggest that I was, because I will take good care to read to the people the *Hansard* record of what I actually said. I do not want to say anything unkind to the hon. member who has interrupted, because in his earlier remarks he was most generous; and I feel sure he has no thought of misinterpreting what I said. He may not have been in this chamber when I spoke earlier and pointed out that it was not a case of deciding now which would have been best. That matter cannot be redecided. The construction is under way. What I am pointing out is that this is an example of the considerations that could have been examined jointly before this action was taken. If the argument were in favour of Moose Factory as against Moosonee, there were many considerations that could have been put forward with regard to the facilities that were required, as to alternative facilities on the mainland in certain cases, and so on. I am giving this illustration as an example of what could be repeated right across the board with regard to every department in which similar activities are engaged in by the two governments.

Mr. Hackett: That is true also in other provinces.

Mr. Drew: It is indeed. I was speaking of this instance, of course, because it had been raised earlier.

We speak of centralization. I want to refer to the emergency controls, the power over agriculture that we are asked to accept, foreign exchange control, and these other details. Of course in regard to foreign exchange control, it will be possible to deal with it in much more detail on other occasions and doubtless other hon. members will deal with it during this debate; but hon. members, in examining centralization, and in examining the dangers of centralization, and what has happened, could very well read and reread some of these orders which are being put before us now for consideration.

When we were discussing the emergency powers on Friday night the Minister of Agriculture (Mr. Gardiner) in his speech, which expressed many clear and understandable points of view in regard to the agricultural situation, left no doubt about his thought that there is nothing temporary about these

controls which are before us in the emergency control legislation. In referring to the control on the price of butter he said, as reported at page 712 of *Hansard*:

> But what I want to emphasize is the fact that unless there is some kind of control some place that thing will happen in spite of what—

Mr. Knowles: Order. On a point of order, Mr. Speaker, it is not in order to quote in one debate the remarks made in another debate during the same session.

The Acting Speaker (Mr. Golding): I hope that the leader of the opposition will leave that matter until that resolution is before the house again and we are dealing with that subject.

Mr. Drew: I shall paraphrase what was said because it has a very direct bearing on what we are now discussing. The Minister of Agriculture made it clear that he had no thought that this was a temporary measure, but that it would be necessary to carry it on for years.

Mr. Gardiner: Not the measure, but some understanding.

Mr. Drew: Some arrangement in regard to it; but let us see just what that means. We are being asked to consider controls over industry, over agriculture and over foreign exchange, in a bill which calls it foreign exchange control but which is really more than that. It is import and export control. We are asked to do this under the continuance of emergency powers. The government have hardly even made the pretence of suggesting that there is an emergency in the real meaning of the word. They have hardly even bothered to put forward any contention that there is an emergency which would justify the extension of these wartime powers.

Remember that these emergency powers are in certain cases orders in council passed during the war. Emergencies are then given statutory effect by an omnibus statute which in turn gives them the effect of statutory law. The only possible ground for continuing these emergency measures is that we are still in an emergency similar to that which justified the passing of these orders in council at the time they were passed. The war ended in 1945, and this is 1949. There must be some time when government by order in council ends and responsible government by the parliament of Canada returns. There is not one of these measures which, if it is justified in the light of events and has constitutional support, could not now be put forward in the form of a proper statute defining the functions of the government, the responsibilities of the government, and the rights of those affected.

There is just a little tendency on the part of Canadians to examine the way that bureaucratic controls are creeping up in other lands, and without examining with sufficient care the extent to which bureaucratic controls are embedded in our legislation right now in Canada. The emergency controls are far-reaching to say the least; and these emergency controls are worded in such a way that they challenge every basic concept that we have of the right of the individual in time of peace to protect himself before a court under the properly stated laws of the land.

Last week we heard arguments that a desirable objective should not be defeated by any constitutional limitations. If these things are so desirable, state them in statutes; if these things are so desirable, define the powers; if these things are so desirable, give the individual knowledge of what he can do and what he cannot do, and give him some rights to protect himself. It is not enough to say that these people should have no rights anyway. That is the way dictatorship has come in other lands. When any of those who have public responsibility are prepared to support their theories by the argument that the theory is so good that protection should be withdrawn from any members of the community in that particular field, then we are asking to open the doors to authoritarian practices here in Canada. I do think that these orders which were carried forward last year, and which presumably are the same orders which are to be put before us again, should be read and reread by those who believe in the right of parliament to decide what the laws of the land will be and what our people can and cannot do.

Just let me read from one of these orders, and again it has nothing to do with the purpose of the order but with the way it is carried out. This is the provision in the order in council re-establishing the wartime industries control regulations. This section provides that a controller may make orders in regard to—and I am referring to subsection 2 of section 12 of that order—any books or records, and carry these books or records away and they may be held at the discretion of the controller. It goes on in subsection 4 to say that the powers conferred upon a controller to make any order shall include power to provide in such an order, by way of prohibition or otherwise, for any or all matters which the controller deems necessary to the effective operation of such order. Well, now, this is in Canada. It is in free Canada that a controller who has discretion can make any order as to anything that shall be done in

order to carry out the purposes of this act, and in most cases without effective right of appeal.

Let us take the order respecting construction materials and priorities. Under section 2 the priorities officer shall have almost any power that any human being could need for almost any purpose without limitation. One of these, just indicating the breadth and scope, is section 2(e) which states:

> The priorities officer shall have power to take possession of or otherwise acquire any construction materials wherever found, and to use or to dispose of them.

And so it goes, right through the whole piece. Then, with all these wide powers, let us see something else. Section 5, headed "Delegation of Power", states:

> The priorities officer shall have power to delegate from time to time to any person or persons any power vested in the priorities officer under these regulations, including any power involving the exercise of discretion and any order made in the exercise by any such person of a power so delegated shall be final and binding unless and until it has been varied or vacated by the priorities officer.

Oh, we may think that these Canadian priorities officers could not do wrong. But that is a pretty wide measure of confidence to repose in any human being. The fact is that there is hardly a provision in any of the dictatorships which goes wider than that order today. And the only security we have against excesses and abuses is the common sense, discretion and decency of the Canadian people. Of course, they are human beings; they are not all perfect. And there is no one who has had contact with these activities who does not know that there have been many abuses of these very powerful provisions.

Unfortunately, often there is hesitation to take effective steps to bring public attention to them, as should be done. Then, section 6 goes on to state this:

> The priorities officer, any deputy priorities officer and any person acting for or on behalf of or under the authority of any of them shall not be or become liable to any person for anything done or omitted in the exercise or purported exercise of any power or authority from time to time vested in the priorities officer.

That means that the priorities officer can go out, pick up any person he likes and delegate authority to him. Then that person, with little or no knowledge of the act, may go out and do anything he sees fit to do; and if he even purports to be doing his duty under this act, there is no liability, no matter how great the damage is that he has done. That is what it means, exactly.

There is an old legal maxim which every lawyer in the chamber will know, and which states *delegatus non potest delegare*—a delegate cannot delegate. When this parliament delegates its authority to a controller, a deputy controller or some person he may name, there should be some limitation to the delegation of that authority; there should not be any denial of the right of redress to those individuals who may be affected by the things done by such controllers.

This is only symptomatic of the whole tendency of the government in connection with the exercise of many of its arbitrary powers. I hope members in the house have read the reports of the decision by the income tax branch as to how it was going to make sure that the waiters in this country did not escape payment of income tax on tips received. After all, if any waiter in Canada does not properly declare the tips he receives, there is a provision in the act by which he can be haled before the courts in the usual way. If he has failed to comply with the provisions of the act, he should be brought before the courts in the ordinary fashion, and have the right to the protection of the court as well as being made subject to any possible punishment the court may impose upon him.

But a new device is employed. Officials of the income tax branch are given the power to determine what they estimate to be the tips received, and then to impose income tax on their estimate of what the tips had been to the men or women in question. Surely that illustrates the extent to which these powers are being carried in various fields of government activity. The official of the department, in this and in other cases, becomes the person who makes the order; he becomes the person who enforces it; he becomes the person who carries it into effect. And this is a denial of what we all regard as the basic ideas of the protection of the individual by the free process of our courts.

I do again urge members, and particularly those on the government side, to read carefully these arbitrary powers, these orders in council carried forward by statutory enactment, and which we are asked again now, in 1949, four years after the termination of hostilities, to renew. There you will see the mechanism of dictatorship. There you will see power to exercise almost unlimited authority over agriculture, over industry and over the economy of our country. Wider powers could hardly be imagined. And those powers are exercised, not under the direct authority of parliament, but under the executive power of the government itself, without any clear definition of their limitations or purpose.

Objection has been taken to the suggestion that this sets up a police state. Well, there are those in this chamber who know how close we came to being a police state. There

are those who can recall something very similar to a police state, and the exercise of police powers—

Mr. Cruickshank: In Ontario.

Mr. Drew: —for purposes that had no bearing on the welfare of our people, in fact, the use of the great Royal Canadian Mounted Police for purposes quite inconsistent with the traditions of that force.

But we do not need to emphasize that aspect of it. The police have been used improperly under some of these powers. But if it is not a police state, in the strict interpretation of that term, then it looks strangely like it at the border, in the way they carry out some of these extraordinary powers announced to the people of Canada over the radio, without the authority of parliament. If this is not a police state, at least it can be said without contradiction that these orders are creating a snooper state. We have the unpleasant and humiliating picture of a host of inspectors, of controllers, of priorities officers and of those who have had power delegated to them but who cannot be named in advance because they may be delegated anywhere at any time; all these people are snooping around trying to find grounds for prosecution under these loose, ill-defined and all too powerful orders that have been carried forward from the war.

It is time, and past time, for this free parliament to assert its right to pass laws under which the rights and duties of our people will be determined. If any of these powers should be carried forward, then let us stop pretending that they are wartime orders; let us have legislation dealing with the matter. In his remarks during the debate on the speech from the throne the Prime Minister said that he had offered every province the right and the opportunity to take over rent controls. He said that the replies he had received indicated how difficult it was to get the co-operation of the provinces in regard to some matters.

An hon. Member: Consent.

Mr. Drew: No, they are not content.

An hon. Member: Consent.

Mr. Drew: I thought the hon. member said "content" and I can assure him that they are not content. Any provincial government attempting to take over rent control, with these loose, undefined powers over supplies still in the hands of the dominion government, would not have the responsibility it should have as a provincial government. That was the reason they did not take them over.

Some hon. Members: Oh, oh.

Mr. Garson: Pardon the laughter.

Mr. Drew: It is most amusing to see the strange translation that has taken place since the former premier of Manitoba became Minister of Justice. The Minister of Justice apparently needs to find some little pleasure to amuse himself and I am glad he got it from that silly remark he made.

An hon. Member: It was not so silly.

Mr. Drew: The Minister of Justice seems to regard it as amusing that his successor as premier of Manitoba should have recognized the difficulties presented by a problem of this kind. It is one thing to say that they are ordinary rent controls, but the fact is that, because of the manner in which these loose and arbitrary powers over supplies have been exercised, rigid controls are necessary in order to prevent the chaotic conditions which would result from the confusion created by those powers.

If there is any right to extend, at this time, the order in council affecting rent controls, then there is a constitutional right to introduce a separate act dealing with rent controls, dealing with price controls and dealing with these other controls, in the ordinary way. If those acts cannot be passed under the present constitutional position, then there is no power in this parliament to continue those orders under a statute which gives them continuing authority. That kind of legislation would actually return to this parliament the responsibility it should assume.

The other day the Minister of Agriculture (Mr. Gardiner) was speaking of one aspect of agricultural powers and of price control. He also is seeking an extension of his powers. It is true that in part those powers relate to the marketing of crops, but they give absolute authority to the minister to go onto any farm and seize any product of that farm. That again is not power that should be conferred on any minister, no matter how much we may think of that minister as an individual.

Mr. Gardiner: He has never done it.

Mr. Drew: If the minister does not agree that those powers should not be continued, then a proper act should be brought in clearly defining the responsibility and the manner in which deliveries of products will be made and the way in which contracts will be carried out with the assistance of those who are experts in the various fields of agriculture.

These arbitrary orders are having an effect upon our trade. Not only are these arbitrary orders affecting agriculture and exchange in the domestic field; they are stopping the

movement of goods between our country and other countries, particularly between our country and the United States. In that respect I want to state our position, as it has already been stated, in order to leave no doubt as to where we stand in regard to unnecessary restrictions on the movement of agricultural and other products of that kind between Canada and the United States, or the other way.

The party to which I and those associated with me belong stated its position in this house some years ago, and it has been the position of this party down through the years. The Conservative government under Mr. Bennett in 1934 put before the government of the United States proposals which were clear and definite and which would have been effective. They were read into *Hansard* of February 10, 1936, and they can be summed up in the following quotation from page 60:

> The government of Canada is prepared to join the government of the United States in a declaration that their common objective is the attainment of the freest possible exchange of natural products between the two countries.

That is a clear statement of purpose that was put forward then and that has been carried forward to a limited extent, and it could well be advanced today. However, it is being restrained by many of these arbitrary controls which have been imposed under the orders to which I have referred.

There is before this house an amendment and an amendment to the amendment, and it is on that amendment to the amendment that I am speaking. In this debate this house has an opportunity to say by its vote that the time for arbitrary powers has gone; that the right of parliament to enact laws on behalf of the people should be restored; that any legislation which should be continued should be continued only in the form of proper statutory terms and that those things which we are asked to deal with should be dealt with only in the form of statutes.

From the attitude of some of the ministers, to say nothing of their supporters, it does not seem that they are very much impressed with the extent to which these arbitrary powers challenge the right of our free people to be protected by clearly stated laws which can be interpreted in the courts. If that is so, then the challenge is to every member on both sides of the house to say whether he believes in government by order in council or by the proper authority of parliament expressing itself in statutory form. They have a right and a duty to say whether they want the continuance of the snooper state, or whether they want a return to the free, democratic processes that were themselves in issue in the war that ended nearly four years ago.

The amendment to the amendment presents limited objections to the conduct of the government, and what is stated in the speech from the throne. That in itself might be interpreted as a general want of confidence motion, but it also might be interpreted as simply limiting criticism of the government to those points that are set forth in the amendment to the amendment. I for one do not feel that it touches upon some of the most vital points that are before us, and particularly the right of parliament to assert its authority as against the right to govern by order in council. For that reason I think that the amendment to the amendment is inadequate. There is an amendment before the house which is a straight motion of want of confidence in the government. There is before the house an amendment which, unless someone is trying to evade his responsibility to vote against the government, or unless he is unprepared to vote against the government, presents a clear statement of the issue. I hope that some of those members on the government side, who have criticized orders in council procedure outside parliament, will take this opportunity to express their views according to their conscience. If they do, and the other bodies in the house express their want of confidence in the government as they have outside, then the government will be defeated by the vote and will go to the country, as it should, so that the people can restore responsible government in Canada.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, when the debate was adjourned two weeks ago last Friday we had listened to the first address of the Secretary of State for External Affairs (Mr. Pearson). If I had followed him that evening I should have liked to have congratulated him on his maiden performance, and to have made some comments on certain advice he gave to the house and to Canada. Although a couple of weeks have passed since then, I think one of his comments may bear some consideration. The Secretary of State for External Affairs, as reported at page 237 of *Hansard*, said:

> In every country the communists have two great allies, social and economic injustice on the one hand, and political reaction on the other. If we can destroy these allies and build up a strong, healthy, and progressive society on a democratic foundation, we can destroy communism. That should be, I suggest, our purpose and our objective.

I submit that that is advice which the leader of the opposition (Mr. Drew) might

heed, because I think it is well established that, in every country where the communists have found allies, social and economic injustices on the one hand and political reaction on the other have made it easier for them to gain support.

Shortly after the Secretary of State for External Affairs finished speaking, the Ottawa *Evening Journal* carried a story on housing conditions in Hull, just across the river. The heading is: "Paying no rent, 59 Hull tenants of doomed flats refuse to move." There are pictures of disgraceful housing conditions. I believe that the former Prime Minister, the right hon. member for Glengarry (Mr. Mackenzie King), saw these homes every time he drove from parliament to his summer home at Kingsmere. The story in the *Journal* gives the name of one fifty-year-old invalid who lives in a single room with his wife and four children. The newspaper article reads in part:

> The fifty-year-old invalid, who lives in a single room with his wife and four children, said residents of the rotting, city-owned, frame structure did not intend to arm themselves and barricade all doors, but added "we all mean business."

He was commenting on the fact that they were not going to move out and live under the skies until alternative housing had been provided. This particular gentleman goes on to say:

> I guess I am in a worse spot than the others. My wife and I sleep on a studio couch, while my two boys and two girls have to sleep in a single bed. There is not much room for furniture in our one-room flat. All we have are a table, a few chairs and a wood stove.

Another of the residents is quoted in the article as saying:

> That is the best news I have heard since I moved in here three years ago. I am looking forward to the day when we can say good-bye to this firetrap and its vermin, rats, mice and cockroaches.

The article refers to still another occupant who lives in two rooms with her twelve children and elderly mother. With regard to her the story has this to say:

> All tenants welcomed the thought of moving "as long as decent accommodation is provided us."

I submit that stories of that type in Canadian newspapers present evidence that we have social and economic injustices in Canada. In the Ottawa *Journal* of December 6, 1948, I find another story. The heading is: "Sells five new homes for $100,000". It gives the name of a well-known builder and contractor who has just completed the construction and sale of five new homes. The article reads:

> These homes are of distinctive and striking designs, sturdy construction, well laid out and particularly well insulated. The price of these homes runs over $100,000.

That is for the five of them, an average of over $20,000 per unit.

> Some of the said homes have library, built-in breakfast nook, playroom in basement, master bedroom has private bathroom, also extra bedroom and washroom on ground floor. Some have dish and clothes washing machines with drier, exhaust fans and garbage disposal units installed in the kitchens, and many other modern built-in features for easy housekeeping and solid comfort.

I must remind you, Mr. Speaker, that in one edition of the Ottawa *Journal* we have a story of the disgraceful conditions which exist for these Hull tenants, pictures of which appeared in the Ottawa *Journal* of February 4, and in another edition we are told of five houses having been purchased recently at a cost of $100,000. I submit that while there are houses being built and sold to one group of our Canadian people at a price of $20,000 each, and you have slum conditions remaining undisturbed year after year, you have a situation which breeds communism. In the Saint John *Telegraph-Journal* of July 18, 1947, there is an editorial headed: "Action on housing needed".

> It seems ironical that nations which can produce atom bombs, develop radar and thousands of other wartime inventions, and send planes circling the globe in a matter of hours—feats which our ancestors of one hundred or two hundred years ago would have thought fantastic—have lost the knack, which those long dead pioneers had, of putting up homes without draining the family's financial resources dry.

A great many young men and women who fought for Canada, who fought to save their homes and to get homes, find it very difficult in 1949 to understand why the nation that could do all these marvellous things from 1939 to 1945 now seems so helpless when it comes to dealing with our housing problem. Last year the Minister of National Defence (Mr. Claxton) mentioned that the cost of defence was going up, and that one of the commitments he had authorized was a $600,000 gun. I heard the Minister of Finance (Mr. Abbott) state that defence now is very costly, that every time we take three hundred men into the armed forces we increase our national expenditure by $1 million per year. I think the time has come when those who are responsible for appropriating funds in this parliament must find money with which to tackle our slum clearing and housing problems in the same way we tackled our defence expenditures in time of war.

When I have discussed the question of housing in previous years I have made the mistake of leaving the important matter of rural housing until the end. Unlike the leader of the opposition (Mr. Drew) I have not unlimited time at my disposal, so today I plan

to make my reference to rural housing before reaching the end of my time. In 1944 Professor Arthur, who was a member of the committee appointed by the government to prepare the well known Curtis report, gave an interesting lecture on housing for Canada. In the section devoted to farm housing he drew attention to the fact that Canada needed at least one hundred thousand new houses for our farm folk to replace obsolescent homes and at least another twenty-five thousand to provide separate units for farm families. In his comment he said:

> We are inclined to assume too readily that the farmer and his family are happy with their outhouse, their oil lamps, lack of refrigeration and lack of bathing facilities except where provided by a galvanized basin. Of the total farm buildings in Canada (730,000), 677,100 or 92·7 per cent were without bathing facilities and 92 per cent lacked flush toilets.

I want to suggest to the new minister of reconstruction (Mr. Winters), who soon will be confronted with the problem of providing employment for Canadians, that the installation of bathing facilities and flush toilets in 92·7 per cent of the farm homes of Canada should provide an outlet for a great deal of material as well as employment for a great many artisans. Professor Arthur referred to the tables showing the condition of farm houses all across the country, and it is a picture of which we cannot be very proud. I am sure many of our young people have left the farms and gone to the cities because it has been so difficult to get running water, electricity and modern conveniences in the farm homes of Canada.

Of course I realize that this is partly an economic problem. If the farmers could have a fair share of the national income over a period of years I am sure many of them would modernize their homes. But unfortunately the farmers have not been receiving a fair share of the national income, and consequently a fair share of the material and labour used in the construction of homes has not gone into farm homes. In one of the green books prepared for the dominion-provincial conference in 1945, entitled "Public Investment and Capital Formation" some very interesting information may be found relating to the percentages of the gross investment, according to types, over a number of years. The percentage of building materials used on farms was shown as follows:

1926	5·1
1927	4·8
1928	4·5
1929	3·6
1930	2·8

Since 1930 it seems that the farmers, who comprise between twenty-five and thirty per cent of the population, have had to get by with about three per cent of the total volume of construction.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Nicholson: At six o'clock, Mr. Speaker, I was referring to public investment and capital formation in Canada, and I had mentioned that not since 1926 had the farmers of this country more than 4 per cent of the total amount spent on building materials used on farms; and I concluded that, since from 25 per cent to 30 per cent of Canadians reside on farms, that fact would indicate that we have not been able to get a large enough share of the material or manpower to deal with farm building programs.

In the Curtis report at page 207 there is an analysis of the information compiled in 1941, following the taking of the last census. We are told that the average value of all farm buildings in Canada was $1,481. This was down from $1,843 in 1931 and $1,943 in 1921. The average value of the farm houses in 1941 apparently, in the opinion of the farmers, amounted to only $1,095. I possibly should observe that 1940 was a fairly difficult year for farmers in all parts of Canada. Many farmers, if they had been offering their farm holdings for sale, would have been unable to get for farm and buildings a price that would pay for the original cost of the buildings. So when the farmers were asked to place a value on their farm buildings, it is not surprising that they suggested an amount much less than the replacement value. I might also mention that these figures were arrived at after taking a sample of every tenth farm in Canada.

In his report Curtis comments on the fact that even those figures indicate low standards, poor structures or facilities, or deterioration, or something of all of them. More than 40 per cent of the farm buildings in Canada were in need of external repairs in 1941. All across Canada, in every province, the census reports indicated that farm buildings were in a bad state of repair. My own constituency had an extremely undesirable record at that time. I am happy to say that, because of improved farm prices since the war, I am sure there has been a great improvement. In Mackenzie there were 44,000 people living on farms, and there were 13,000 non-farm people. We found that our people had 3·4 rooms per dwelling and that there were 4·6 persons per dwelling. The average value of these houses was $656 on the farms, and $813, non-farm. Of the houses on farms, 2·4

per cent had furnaces whereas the percentage for non-farm houses was 9·6. If you take into consideration these modern conveniences, which are taken for granted in most of our cities—radio, automobile, telephone, and vacuum cleaner—one farmer out of 1,000 and 6·6 out of 100 of the non-farm people had them.

I submit that these statistics give some indication of the potential market that is available in Canada if the dominion government, the provincial governments, and the municipal governments will face up to the solving of Canada's rural housing problems. I admit that the federal government is able to produce statistics which would indicate that more houses were built in 1948 and in 1947 than in any other years in our history. But later on I hope to say something about the fact that 90 per cent of the houses that have been built were going to the 10 per cent of people who needed shelter least, and that not more than 10 per cent of the houses built were being made available to 50 per cent of the people who were urgently in need of better housing. In concluding my references to rural housing, I should like to urge that the National Housing Act be made more extensively available in the rural areas in Canada.

The 1948 report of Central Mortgage and Housing Corporation has not been supplied to hon. members, but when the report was tabled a year ago we read that no applications were received in 1947 for farm loans. I have on the order paper a question which has not been answered yet, asking how many were received in 1948 and how many were completed. Last year no formal applications were received from co-operatives. I submit that the federal government should take the initiative in encouraging farmers and co-operatives to make use of national housing legislation.

In the Curtis report there is an interesting section dealing with housing for farm labourers. Information is supplied here indicating the insecurity which confronts farm labourers in most parts of the country. In every province we have a great deal of difficulty in finding farm labour at busy seasons of the year. If Canada were prepared to make some advance in granting assistance to farmers or to communities to plan and build living quarters for farm labourers, I am sure that some progress would be made in solving this problem.

One further suggestion that I believe has a good deal of merit has been to the effect that direct subsidies on specialized goods should be provided for rural housing, such as furnaces, plumbing equipment, electrical supplies and refrigeration. Let me remind the house that we have approved a subsidy of nearly half a million dollars to Crane Limited, but this parliament took no interest in finding out what happened with regard to this subsidy. We have no way of knowing whether the materials produced as a result of this subsidy went into extra bathrooms in these $20,000 houses about which, just before the dinner recess, I read from the Ottawa *Journal*. I think it would be much more desirable to have the subsidies used so that we would have an improvement in our rural housing situation.

Mr. Mitchell: My hon. friend talks about these $20,000 houses. Has he any knowledge that this money went into the extra bathrooms?

Mr. Nicholson: Before the dinner recess—

Mr. Mitchell: That is all right for the boys back home, but not here.

Mr. Nicholson: As I was saying, before the dinner recess I read from the Ottawa *Journal* a statement to the effect that five houses were sold in December in Ottawa for over $100,000, or over $20,000 per unit. The story also mentioned the fact that some of these houses had extra bathrooms. That was one of the features. Rather than supplying subsidies to Crane Limited so that they could put extra bathrooms in $20,000 houses, I think it would be much better to provide subsidies so that farmers, fishermen or people in the slum areas in our cities could have the direct benefit of them.

Mr. Mitchell: That was not the point. The hon. member is just skating around it.

Mr. Nicholson: I cannot hear the mumbling of the Minister of Labour.

Mr. Mitchell: I am not mumbling. I want to say that I do not think it is fair—

Mr. Nicholson: Mr. Speaker, my time is expiring.

Mr. Mitchell: That is all right—

Mr. Speaker: Order.

Mr. Mitchell: What my hon. friend is saying is all right for consumption back home; these speeches are printed for consumption back home.

Mr. MacInnis: The people back home hear the minister, and they do not like what they hear. They will let him know that shortly.

Mr. Knowles: The minister will then have to find a home.

Mr. MacInnis: He will have to try to find a home.

Mr. Nicholson: My time is passing quickly, Mr. Speaker, and I wish to say something about an urgent problem that confronts so many Canadian people. During the dinner recess I was glad to read that the Prime Minister has changed his attitude. I think he made an unfortunate statement about a year ago to the effect that no government of which he was a member would take any part in a low-rental, subsidized-housing scheme. But in Toronto, over the week-end, he indicated that he at least has an open mind. In the Toronto *Telegram* of today I read the following:

> Although the federal government has no intention of becoming a landlord to civilians, Prime Minister Louis St. Laurent hinted today that the dominion may provide additional financial assistance for low rental housing projects initiated provincially or municipally.
>
> Mr. St. Laurent did not indicate in detail what form the extra housing assistance might take but, in a general way, it was evident that he will propose an extension of slum clearance grants from the federal treasury.
>
> His statement was significant in view of the fact that about an hour earlier, he and Mayor Hiram McCallum had visited the Regent park housing project.

At this stage I should like to thank again the Toronto board of trade for the very interesting tour they arranged last year when members of parliament were in Toronto. On some occasions of that sort people who are your hosts take you only to the best residential areas in the city, but our hosts in Toronto took us to the Regent park area, and I am looking forward with a great deal of pleasure to going back to see what has taken place in that slum area since we were there a year ago. I continue with the quotation. The Prime Minister said:

> "I believe I am correct in saying that it is the first time in Canada a municipality has undertaken a large scale project to look after the housing needs of low income families.
>
> The Regent park project demonstrates that, when the local authorities really mean business, they can secure the effective co-operation of the provincial and federal governments."
>
> The Prime Minister plainly made a courtly and pleasant bid for Toronto's favour. At another point in his address he declared that: "The city of Toronto has given an outstanding example of the practical way in which governments can work together in the public interest."
>
> "Perhaps," he added, "you will excuse me for saying that there was so much goodwill between the city and the federal government that it overflowed and brought in the provincial government as well."

I am delighted to find that the Prime Minister and the leader of the opposition are on such friendly terms that they go to the city of Toronto and together take some credit for the fact that they were even able to work out for the Toronto municipal authorities the program which has been carried on there and which is going to result in about 1,000 low-rental houses being made available to these people who are living in the Regent park area. I understand that the area where the houses are to be demolished contains forty-one acres. They have undertaken to house everyone living in that area and about 200 additional families. In addition to having grounds for flowers and vegetables around the units, they are going to have about ten acres in park land in that project. While funds have been used from the federal treasury, and while Toronto is one of the wealthiest cities in Canada, yet as a member representing a rural constituency I am glad that Canada has made a start and that Toronto is going to show the rest of Canada what can be done when municipal, provincial and federal authorities bury their prejudices and work out a program to serve the best interests of the greatest number.

I have a few newspaper clippings from across the country to indicate how general the interest is in facing up to the housing problem which confronts so many of our people. The *Financial Post* carried an interesting story on July 19, following the representations made by the mayors association in trying to get the federal government to meet with representatives from the provinces and the municipalities to work out the details. The *Evening Times* of Saint John of June 23, 1948, carries a story which reads as follows:

> Low-rentals housing plan still problem. The Canadian federation of mayors and municipalities today was faced with four choices in its efforts for a low rent program in Canada.
>
> "If our analysis of the situation is correct," he said, "then we can conclude that the outlook for minimum standard low-rental housing for low wage families, as part of the national over-all house construction program, is a doubtful prospect until the federal and provincial governments have come together and resolved a program of action."

The Ottawa *Evening Journal* of June 24 carries a story from Halifax where the mayors had their annual meeting. From the Winnipeg *Citizen* of September 27, 1948, we get the following story written by Beland Honderich, financial editor of the Toronto *Star*:

> The federal government's advisory committee on post-war reconstruction recognized this point in its housing study. In its report to the government in 1944—four years ago—the housing subcommittee bluntly stated that the provision of adequate low-rental housing was essential to the solution of the shortage. It said:
>
> "The proportions of the post-war (housing) program which will be supplied through publicly assisted building for ownership and publicly assisted low-rental housing will depend on a number of factors . . . But that a very large and long range program of low-rental housing must be contemplated is an inescapable conclusion from the available facts."
>
> With such a detailed and authoritative report to guide them, the inactivity of the various levels of government is a bit difficult to understand. Equally disturbing is the attitude of acting Prime Minister

St. Laurent. For in face of this report, he said in a speech last November: ". . . no government of which I am a part will ever pass legislation for subsidized housing."

If Mr. St. Laurent's statement means what it says, then the solution to the housing shortage is a long way off. In fact, it is hopeless. For the provincial and municipal governments alone cannot be expected to carry the financial burden of low-cost housing. The cost is too great.

I have also a story from the Halifax *Mail* of March 28. I have several more that I will not have time to discuss.

I should like to refer for a moment to a section of the Curtis report dealing with the position in which many of our low-income families find themselves. In 1941, in connection with the taking of the census, a special study was made in twelve metropolitan cities in Canada. These cities contain 60 per cent of the urban population of the whole dominion. They went to 834,000 dwellings and found that 530,000, or two-thirds of them, were rented. They found that one-third of this very large number living in rented accommodation received an annual income of $703. The second third had an average income of $1,389. The one-third who were getting $1,800 or thereabouts were able to look after their own accommodation but for at least two-thirds of these 530,000 families in the twelve metropolitan cities we find that their income was quite inadequate to provide food, clothing and shelter. It is a well established principle in all countries that not more than 20 per cent of one's income should go for rental, or if one is buying one should not pay more than two years' total salary for a house. On this basis we find 88 per cent of the people in the lowest income brackets in these rented houses were paying a disproportionate amount for their living quarters. For example, those who were getting an average of $703 a year were paying $7.28 per month more than they should have paid for living quarters. About 50 per cent of those who were getting an average of $1,389 were also paying more than they should have paid for rent. Therefore, Mr. Speaker, the fact that in Canada we have a large number of people on salaries and wages fixed so low that they are unable to buy or rent living accommodation presents a very urgent problem to all of us.

In 1919 a special commission was set up to look into the unrest which existed all across Canada. In reporting, the late Mr. Justice Mathers said:

Another cause of unrest which we met with at practically every place we visited was the scarcity of houses and the poor quality of some of those which did exist.

A number of years passed without anything being done. In 1935 parliament set up a special committee to study the housing problem. The hon. member for Broadview is the only member of the present parliament who was on that committee. He has been able to survive three federal elections since that time. Naturally the hon. member was keenly interested in housing problems and said:

As you know, this country cannot solve any problems at all because of its "passing-the-buck" act, the British North America Act; it cannot settle any problems at all, except objectively. If we want to do something in this committee we need to get busy, particularly because spring is coming; and I do not think many of the municipalities are able to go ahead on their own. Men are waiting for jobs and cannot get them.

That was in 1935. Spring is coming again, and very little has been done by way of dealing with the problem, which concerns so many people.

One of the cities discussed upon that occasion was Cleveland. The committee took the trouble to hear evidence from Cleveland, where they had made a study of slum problems, and from that city the committee obtained statistics showing what it had cost to maintain the slum area over a number of years. I am happy to say that in the United States, as a result of the progressive leadership of the late President Roosevelt, they passed legislation in the thirties, when we were paying large sums of money to keep carpenters and plumbers on relief. In the United States they decided that it would be better to clear away their slums, to build new houses than to pay people to do nothing, and Cleveland was one of the places where they took action.

When one stops to consider the wretchedly unsanitary and unsocial conditions formerly existing in these slum areas, which have been eliminated; the ramshackle frame buildings, which have been torn down; and then goes into one of these neat new apartments with steam heat, hot and cold water, sanitary plumbing, with modern laundry facilities, well-lighted and ventilated rooms, good sidewalks with growing trees, green grass and shrubs, assembly halls, club rooms and nursery and kindergarten rooms; playground equipment, tot lots with sand boxes for the youngsters—all away from the noise and danger of street traffic—he begins to realize the fundamental nature of these improvements.

Furthermore, private charity in one year poured into this slum district $490,836 to supplement the city expenditures. Fire protection in this area cost the taxpayers $18.27 per capita previously, while the average in the city was $4.37. It would be difficult to estimate the incalculable losses in physical

health, social morale and political domination, which always result from slum areas and bad housing.

I am sorry I have not enough time to deal at some length with the municipal housing program in Toronto. Before concluding however I should like to refer to a publication entitled "Rents for Regent Park", a study made by Humphrey Carver and Alison L. Hopwood, which provides a pattern for the Toronto housing association, determining rents which should be paid. They refer to the system followed in Birmingham, where the central government provides a subsidy of $66 a year for each of the families which have been rehoused, and Birmingham provides $22. So that the monthly rental is $15.13 for modern houses. Mr. Carver refers to some of the projects in the United States where they follow a pattern of taking approximately 20 per cent of an individual's income for rent, the balance being paid partly by the central government and partly by the association. In other words, if one were receiving an income of $1,100 he would pay $26 for the smallest type apartment.

In Australia they have a similar plan, where the central government provides three-fifths of the cost, by subsidy, and the state government two-fifths. The municipality of course is charged with the responsibility of managing and servicing the area. Professor Carver worked out an elaborate program which will be in effect in Regent park, I understand. Those who get $80 a month, if they have six children, pay only $19 a month, made up of $11 rent plus $8 for service charges. And if one lived in the same quarters, and had an income of $299 a month, he would pay $62 a month. I believe that is a fair and sound principle, namely, that the individual should pay according to his ability, in connection with these projects in which the federal government, the provincial government and the municipality have an investment.

In concluding I would urge again that the dominion government act on the suggestions made by the association of mayors, the Canadian Legion and many other organizations. A conference of the dominion, provincial and municipal authorities should be convened immediately to discuss around a table just where we go from here. I believe the least the Minister of Reconstruction and Supply (Mr. Winters) can do is to take the initiative in calling the conference.

It must be pretty obvious that these are responsibilities for the federal government. It is the federal government which decides where war industries will locate, which decides that farmers are to get such low prices that farm boys must go to the cities and thereby create housing problems in those cities. The federal government must take some responsibility and part in financing and making grants for rent reduction funds and for slum clearance.

The provincial governments also have responsibilities. They must direct the use of the land. They must enact legislation authorizing the establishing of local housing authorities. They must encourage and legislate both for housing and for community planning. They must be prepared to undertake the actual execution and management of housing projects in rural areas and in scattered communities. The municipal authorities, I believe, are the natural ones to establish the local authority charged with the building and operation of the public housing projects. They must take the responsibility for acquiring the land, preparing the designs, the letting of contracts on a competitive basis and maintaining the project in good repair. They must be responsible for the selection of tenants, the collection of rents and the general well-being of the tenants.

Mr. Case: Does the hon. member intend to include the nationalization of farm lands?

Mr. Coldwell: Oh, well, don't be silly.

Mr. Nicholson: The hon. member knows my position very well. I have never advocated the nationalization of farm lands, nor has any member of this group ever advocated it.

Mr. J. H. Dickey (Halifax): Mr. Speaker, in rising to take part in this debate I should like first to join with other hon. members in complimenting the hon. member for Essex West (Mr. Brown) who moved the address in reply, and the hon. member for Laval-Two Mountains (Mr. Demers) who seconded it, upon the very excellent speeches they delivered in carrying out their important function in this regard.

The hon. member for Essex West has spoken well in the house before. His contribution was well prepared and well delivered, in accordance with the standard his colleagues expected of him. On the other hand, the hon. member for Laval-Two Mountains had the more exacting task of delivering his maiden speech in the house. I am sure the electors of his constituency have been proud to learn of the exceedingly fine contribution he made; and the ovation with which the conclusion of his remarks was hailed was a tribute not only to a most excellent maiden speech but also to the good judgment of all those who sent him to represent them here.

Most sincere congratulations also are due to the Prime Minister (Mr. St. Laurent) upon

his selection by his party to assume the heavy responsibilities he has undertaken, also on the magnificent speech which he delivered in this debate, a speech which has been hailed on all sides as a *tour de force* and which to his followers and well-wishers, both within and without this house, has been and will continue to be a source of inspiration and extreme gratification.

Turning now to the speech from the throne I should like to discuss several matters which I think are of particular interest to my province and to the constituency of Halifax, which I have the honour to represent along with my colleague (Mr. Isnor). Halifax is a city which in the past has been touched by the hand of war. Throughout its 200 years of history it has been closer to the succession of armed conflicts which have marked these two centuries than any other part of the territory which now comprises the Dominion of Canada. Against this background of the awareness of the realities of war there will be throughout the province of Nova Scotia general agreement with the statement of government policy in connection with matters that are in the sphere of international relations.

A large majority of the people of Nova Scotia will have welcomed also the elaboration of government policy in this regard which was provided by the Prime Minister when he set out the measures which this government and the Liberal party consider it is necessary to take in the interests of the peace and security of this nation.

The north Atlantic security pact is accepted, I think, by the people of my province as a necessary and wise precaution to ensure that any potential aggressor will be faced by a united group of free nations before, rather than after, such an aggressor may have become committed to a policy which would make inevitable the outbreak of a third world war. We regard this treaty, and I think the majority of the Canadian people so regard it, as a realistic attempt to prevent the course of our dealings with today's aggressive dictators following the melancholy and fatal course which was followed in the dealings with Hitler and Mussolini. In these days of tension between the east and the west we run the risk of war, but it is a calculated risk which most people agree is one that we must accept and undergo if we are to hope for the future firm establishment of peace.

The house and the country appreciate the excellent maiden speech of the Secretary of State for External Affairs (Mr. Pearson). His speech was such that I feel somewhat presumptuous in complimenting him upon it, but I do so most sincerely and wholeheartedly.

The leader of the opposition (Mr. Drew) spoke in this debate on the first occasion for some two hours and twenty minutes. During that speech he found it possible to devote less than one hundred words to the all-important question of external affairs. He spoke for forty minutes two weeks ago Friday night, and today he spoke for two hours and fifteen minutes. It is almost unbelievable that in that time the simple but today expressive words "north Atlantic security pact" are not to be found from the beginning to the end of his remarks.

The leader of the opposition in the meantime explained this omission on the ground that he did not feel free to discuss this pact until the pact itself had been brought before the house. The strictness with which hon. members who sit around him have observed the same reticence in their contributions to this debate marks this as a matter of party policy rather than the personal opinion of their leader. In spite of any virtue which that explanation may have in point of ingenuity I am satisfied that it will not commend itself to this house or to the country as deserving of belief. It seems to me to lack completely the characteristic of reality which is a condition precedent to credibility. To follow the diplomatic phraseology of the Secretary of State for External Affairs, it does not command respect.

For example, we find it impossible not to ask ourselves how this ingenious explanation can be made to coincide with statements made in other circumstances by hon. members opposite with respect to the supremacy of parliament and the importance of this debate on the address. We heard further statements of that nature this afternoon. It is not difficult to imagine what the reaction of the same hon. gentlemen would be if such a limitation were attempted to be imposed from this side of the house. However, it is not necessary for us to rely upon our powers of imagination. The leader of the opposition, and much more particularly his followers, have discussed, with commendable freedom of choice, the measures and matters forecast in the speech from the throne, with the sole exception I believe of the north Atlantic security pact.

Mr. Case: Is the hon. member aware of the stand of the United States on the north Atlantic security pact?

Mr. Dickey: That is a matter of United States government policy that will be announced in due course. There is another point which I do not think will go unnoticed. After the leader of the opposition had spoken on Friday in the manner which I have described

—he has spoken twice since then in the

same manner—on the following Tuesday he moved the adjournment of the house to discuss a definite matter of urgent public importance. What was that matter? It had to do with Canada's participation in the north Atlantic security pact. What had occurred in the intervening four days to make this matter, which, although mentioned specifically in the speech from the throne was not on Friday accorded even a passing reference, on Tuesday a definite matter of urgent public importance? The explanation given to the house by the leader of the opposition was that a statement had been made, and reported in the press, some weeks before by an hon. member on this side of the house referring to the fact that the conclusion of the Atlantic pact would be accompanied with some risk of war with Russia.

Does the leader of the opposition wish the people of this country to believe that up until reading that statement in the press it had not occurred to him that the negotiation of a treaty of this importance might carry with it the danger that some country or countries might make it the pretext for hostilities? I venture to suggest that, if that was so, the leader of the opposition is the only person in this country, or for that matter in any country, who has given this matter any thought at all and has come to such an extraordinary conclusion.

I think most hon. members will agree with me that the signing of the north Atlantic security pact is not absolute insurance against war; it is merely our best chance of avoiding war. If war does come, it will be a war that was, unknown to us, inevitable in any event.

I for one consider extremely significant the pointed and obviously intentional avoidance of any mention of the north Atlantic security pact by the leader of the opposition and other members of his party who have already spoken in this debate. They have not referred, either to support or to condemn, to the clearly stated and courageous policy of the government, which is following what it considers to be the path best designed to secure for this country the peace and security which all the people of this country so passionately desire. The silence on the part of the leader of the opposition (Mr. Drew), and those who sit behind him, is something which the people of the part of the country from which I come, the province of Nova Scotia, will not appreciate, but will in fact deeply resent. Perhaps there is no part of the country which takes its politics more seriously than the province of Nova Scotia. When political considerations and tactics in relation to a by-election campaign, or even in relation to a general election campaign, are carried to the extent of muzzling a whole national party and its entire representation in the House of Commons, preventing them from according a just share of attention to one of the most important questions of policy with which this house is faced, then those people who have the clearest appreciation of real political values will be among the first to register their complete disapproval of those mistaken and ill-advised leaders and their followers who can so easily lose sight of national interests and subordinate them to the most selfish of party motives.

This afternoon the leader of the opposition made a very strongly worded speech on the dangers of international communism, and communism within this country. With everything he said about communism we on this side of the house agree. He should not be too surprised to hear that, because what he said in that regard has been said before by the Prime Minister (Mr. St. Laurent), and others on this side of the house, during this session and in previous sessions.

An hon. Member: Never.

Mr. Dickey: I should like to make a personal observation to the leader of the opposition. He spoke of the necessity of everybody in Canada doing their utmost to fight communism both within the country and in the international sphere. This is a personal opinion, but I say it with the utmost conviction. The best thing that the leader of the opposition could have done to contribute to the defeat of communism, both inside and outside Canada, would have been to have risen in his place, not today, not two weeks ago, but the first time he rose to join in this debate, to have taken into his hands the speech from the throne, to have read from it the words of government policy with respect to the north Atlantic security pact, and to have said, "I wish to tell the house and the country that I and my party are prepared to support the government in the conclusion of the north Atlantic security pact," and to have gone on to say, "I make this statement notwithstanding any other contrary statements that may have been made by the leader of my party in the province of Quebec." Actions still speak louder than words. As far as actions are concerned, I think that the anti-communist record of this government is pretty good. It is pretty good in an absolute sense and, when compared with the record of any government of which the leader of the opposition has been the leader, it is very good. When the present leader of the opposition became premier of Ontario in 1943 there were two communist members in that legislature. The last I heard, they were still

there. At the same time there was one communist member in this house. I would ask the leader of the opposition where that communist member is today. He is certainly not here. He is in fact undergoing what is cavalierly called durance vile, and it was the action of this government which made it possible to put the member for Cartier in the penitentiary.

Mr. Knowles: The former member.

Mr. Dickey: The former member for Cartier. I apologize to the present member for Cartier. The government received very little support from the members who now sit around the leader of the opposition for what it did at that time.

Mr. Smith (Calgary West): Nonsense.

Mr. Dickey: The leader of the opposition complained that there had been some criticism because he had discussed matters that were not mentioned in the speech from the throne. As I understood the criticism on that point, it was rather a complaint that he spoke so long and spoke so little about matters that were in the speech from the throne. He is at perfect liberty to talk about other things as well. But let us look at the speech from the throne and see what important matters with which he could have dealt, proceeding then to deal with other matters, in addition, as he pleased. There is the matter of fisheries, something that we in the maritimes regard as extremely important. There is the matter of agriculture, which is regarded as extremely important throughout Canada. There is the matter of domestic and external trade, a subject which we would like to hear the leader of the opposition and the members of his party discuss. Then there is the question of the administration of justice, and the question of veterans affairs.

Mr. Knowles: He did not have time.

An hon. Member: Only six hours.

(Translation):

Mr. Dickey: Mr. Speaker, I now wish to extend to the hon. member for Wright (Mr. Raymond) and to the hon. member for Labelle (Mr. Lalonde) my very special and most sincere congratulations for their splendid contributions to this debate.

Some hon. Members: Hear, hear.

Mr. Dickey: The hon. members have pointed out a fact of national importance and which the majority of the Canadians have come to realize, namely, that any desire for peace, however genuine, is not sufficient to avoid war.

Some hon. Members: Hear, hear.

Mr. Dickey: The sad lessons of the past have taught us to recognize the true nature of the views shared by those who are still credulous enough to trust in isolationism, that nefarious policy whose sole remaining followers perhaps are the most active disciples of the hon. leader of the opposition (Mr. Drew) in the province of Quebec.

I also wish to congratulate the hon. member for Wright for the manner in which he quoted the words of His Holiness Pope Pius XII on the moral aspect of war.

To any Christian, war is a moral problem which must be solved in his own conscience. The moral authority of His Holiness admittedly ranks among the highest in the world. And the policy which he outlined on December 24 last is in my estimation a source of inspiration to whoever is anxious to find a solution to this problem.

Some hon. Members: Hear, hear.

Mr. Dickey: Unfortunately, there is today a marked difference between the ordinary life of man and his Christian life. I was therefore very happy to hear the hon. member so conscientiously applying those great principles of moral science to the political problems.

(Text):

In the speech from the throne reference is made to the co-operation which has been received from all the provinces in connection with the national health program announced last session. Nova Scotia is one of the provinces co-operating to the fullest possible extent in bringing to its people the benefits of this magnificent program. In the constituency of Halifax alone already two country hospitals, commenced through the initiative of the people of small but virile communities, have received assistance through the grants in aid of hospital construction. Under this plan contributions by both the dominion and the provincial governments have been made to hospitals at Sheet Harbour and Musquodoboit Harbour. The need for these hospitals was so great that, even before the national health program was announced, leaders in these communities had formulated their plans and organized themselves to provide in their localities the best hospital facilities that could be established. The assistance under the hospital grants program has been of the greatest value to them in bringing their plans to realization in the form of substantial buildings with all modern facilities for the treatment and care of the sick, thus

filling a long-felt need in these communities. Their pride in their own achievements I know is mixed with feelings of sincere appreciation for the assistance provided through the national health program. I only hope other communities and districts in my own constituency and in other constituencies throughout this country will plan to take the utmost advantage of the assistance being made possible through the wholehearted co-operation of the dominion and provincial governments in this all-important matter of public health.

The forecast in the speech from the throne of measures to assist the Canadian shipbuilding industry is extremely welcome in Halifax, and the legislation the government intends to bring forward will be anxiously awaited. Halifax Shipyards Limited and other firms connected with the shipbuilding and ship repairing trades in Halifax are extremely important elements in the industrial economy not only of our city and county but of the province and country as a whole. Through the efforts of both management and labour the capacity and efficiency of the Halifax shipyards were tremendously extended during the years of war, and it has been a source of great satisfaction to all those interested in the maintenance of prosperous conditions in Halifax that the activities of this great industry have been maintained at a very high level.

In this connection I would remind the house that Canada, particularly the maritime provinces, has a tremendous stake in the sea and the commerce of the sea. The citizens of Halifax realize how closely their prosperity is bound up with the fortunes of Canada as a maritime nation. The remarks in this debate by the hon. member for Cape Breton South (Mr. Gillis) therefore call for some comment. I would remind the hon. member, and call the attention of the house to the fact, that the argument he adopted in reference to the difficulties presently being experienced by the operators of the Canadian merchant marine is regarded by many people who know the facts as nothing but communist propaganda. The hon. member's discussion and interpretation of the Canada Shipping Act and his exchanges in this connection with the Minister of Transport (Mr. Chevrier) and the hon. member for Stanstead (Mr. Hackett) were amusing, but I do not propose to enter into any discussion of the statutory provisions to which they referred. I am speaking rather of what the hon. member had to say with respect to the possibility of the Canadian flag slowly disappearing from the seas.

To indicate to the house the opinion held by many people, not only in Halifax but in other parts of the country, with respect to the kind of argument put forward the other evening in the hon. member's presentation to the house, I should like to quote from a story which appeared in the Halifax *Free Press* of January 28, 1949. The story is headed, "Communist propaganda floods Halifax and other ports." The subheading is, "Experienced seamen forced to stay ashore while landlubbers and 'one-trippers' get jobs thanks to union." The story goes on:

> In one of the most blatant propaganda hoaxes in recent Canadian history, the communist-run Canadian seamen's union has been flooding Halifax and other Canadian ports with misleading advertisements and handbills concerning the sale of Canadian ships and hiring of aliens to man ships purchased or chartered by foreign interests.

The story then lists a number of facts with which I need not burden the house, and then goes on to comment:

> Ostensibly the CSU has tried to improve working conditions and wages for Canadian seamen, but the end result of CSU policy has been that, while the jobs are better, Canadian ships are being hounded out of business and the jobs go with them.
>
> CSU supporters are spreading propaganda to the effect that wages make up only ten per cent or thereabouts of the operating expenses of Canadian ships, when thirty-three per cent would be nearer the truth. Moreover, union tactics prevent Canadian seamen from doing efficient work in shipshape fashion, thus forcing ships' maintenance cost to record heights.

The story then refers to the handbills mentioned earlier.

> On Tuesday of this week landlubber members of the CSU distributed on the streets of Halifax a handbill allegedly printed in Montreal, which was entitled "Canadian seamen become D.P.'s!"
>
> The advertisement stated that:
>
> "This is what idle seamen and idle ships mean to Nova Scotia.
>
> "It means more lay-offs for shipyard workers.
>
> "It means jobless seamen.
>
> "It means empty shipyards.
>
> "It means less work for freight handlers, longshoremen and other waterfront workers.
>
> "Halifax's prosperity depends upon a busy waterfront!
>
> "Save Canada's merchant marine! Maintain employment in the maritimes."

This is all true, Mr. Speaker; there is danger of Canadian ships being driven from the seas. But the real argument is as to who is responsible for this unpleasant possibility and what can be done to remedy the situation. I would ask the hon. member for Cape Breton South and others who adopt his argument to have some consideration for those experienced Canadian seamen who have no sympathy with the radical views and destructive intentions of the leaders of the Canadian seamen's union. Men who have followed the sea for years find themselves unable to secure employment in their calling because of their fundamental disagreement with the union bosses. Their places have been taken by younger and less experienced men whose qualification is simply that they

are more inclined to listen to and agree with the radical views of those union leaders.

I would ask the hon. gentleman also to have some consideration for the men who, with great effort and ability, have built up the Canadian merchant marine. Often in this house the hon. member has pointed out that the profit motive is of importance to business men. I think he would be the first to admit from his experience that as long as the owners of a business find they can profitably keep it in operation, they will make every effort to do so and continue to make their profits. I know he will also have to admit that in the socialist state he advocates activities of a commercial nature will be carried on by the state with a close approximation of this attention to profitable operation. Recent experience in Saskatchewan has indicated that a socialist government will not hesitate to close down commercial operations which under existing circumstances it cannot see its way clear to continue. In view of this, does the hon. member expect this house or the country to believe that Canadian shipowners are intentionally destroying their own business, the Canadian merchant marine, while it is still possible to operate it under existing conditions?

The fact is that under existing conditions, brought about largely by the Canadian seamen's union, the operators of the Canadian merchant marine find that under present high costs they cannot continue to operate in competition with ships of other flags. If the Canadian merchant marine is to be saved—and it is of supreme importance, Mr. Speaker, that it be saved—it will be necessary for the shipowners and seamen to come to agreements which will permit Canadian ships to operate on a competitive basis with those sailing under the flags of other maritime nations.

There is one matter of some considerable national interest and significance to which I should like to call your attention, Mr. Speaker, and that of the house. On June 21 of this year the city of Halifax will celebrate the two hundredth anniversary of its founding in the year 1749. Halifax is the oldest English speaking settlement in that great portion of North America which is now the Dominion of Canada. An anniversary of this nature is a milestone in the life not only of the city itself but of the province of Nova Scotia and of the country as a whole. Patriotism and proper national pride find their firm and enduring basis in a long and proud history. We in this country have the advantage of enjoying an almost unique mingling of two main currents of history and culture. The city of Halifax and the city of Quebec share the leading roles in these two histories. Throughout colonial times, these two cities, by reason of their early establishment and strategic situations, were the focal points about which the events of history revolved.

The story of Halifax's two hundred years as an organized community is preceded by a history of the use of its magnificent harbour as a haven for mariners and fishermen which goes back to the days of the earliest Norse voyagers. The whole of this history will be commemorated by the celebrations which will mark the observance of this bicentennial, and which will continue over a period of some two months. Halifax has been preparing energetically for many months to make suitable arrangements for appropriate commemoration of this event. Halifax hopes to welcome many visitors from all over this continent and elsewhere in this her bicentennial year. The best possible provisions are being made for the entertainment and accommodation of everyone who may find it possible to accept our most cordial invitation to attend our birthday party. I hope that many members of this house will do us the honour of paying us a visit.

Mr. Speaker, I have left to the end one extremely pleasant task, and that is to congratulate the three new ministers of the crown who joined the government during the recess. The selection of all three of these gentlemen to the honourable posts to which they have been called has been greeted with the most profound satisfaction. I shall perhaps be forgiven if I single out the new minister from Nova Scotia for a special word of congratulation and good wishes. The Hon. R. H. Winters follows hard on the heels of a minister of the crown of many years' experience, the Right Hon. J. L. Ilsley, who was a great Nova Scotian and a great Canadian. Looking into the more distant past, he follows a most illustrious line of ministers of the crown from Nova Scotia. In his exacting task I can say to the new minister that his colleagues in this house, and all those who know him, look to him with confidence to maintain the great tradition of those who have gone before him.

Mr. Hodgson: May I ask the hon. member a question? Did I understand him to say—

Mr. Speaker: Order. Does the hon. member wish to put a question to the hon. member for Halifax?

Mr. Hodgson: Yes.

Mr. Speaker: Then he must first have his consent.

Mr. Dickey: What was the question?

Mr. Hodgson: Did I understand the hon. member to say that the government dealt with the former member for Cartier and had him sentenced to jail?

Mr. Dickey: To answer the question, I said that the government had taken action that made possible the sending to the penitentiary of the former member for Cartier, and received little support from the opposite side of the house in doing so.

Mr. Hodgson: The government had little to do with it. It was the court.

Mr. Speaker: Order. The hon. member for Halifax (Mr. Dickey) has taken his seat. The hon. member who asked the question must not carry on a debate with him.

Mr. F. D. Shaw (Red Deer): Although only three members have participated in the debate thus far today, Mr. Speaker, discussion has roamed over a wide field. During the time at my disposal tonight it is not my purpose to deal with all those matters which have been mentioned, but I should like to make a special reference to the observations of the leader of the opposition when, this afternoon, he was discussing the question of communism. Each year during each session the members of the Social Credit group have constantly emphasized the dangerous situation which has developed in Canada as a consequence of serious communist infiltration. Undoubtedly there is a crying need for action to repel such advances. I should like to remind the junior member for Halifax (Mr. Dickey), who just finished speaking, that to me it is extremely significant that it has been during the tenure of office of the Liberal government that communism has been able to make such great headway in the Dominion of Canada.

An hon. Member: You mean that it was uncovered.

Mr. Shaw: The right hon. member for Glengarry (Mr. Mackenzie King) stated as much last summer when addressing the Liberal federation convention here in this city. Naturally he did not state that it occurred during the Liberal administration, but it was an obvious deduction for any of us to make, that it occurred during that period of time. I think the Canadian people should be constantly alert to the dangers which exist as a consequence of the activities of those who, as I say, have infiltrated into our nation and threaten to destroy the very foundation upon which democracy rests.

With respect to the debate on the speech from the throne, it always seems to me that it is an extremely unhappy arrangement to adjourn the debate and then return to it later on. It inevitably results in repetition. Goodness knows there is repetition enough without the additional repetition which comes as a consequence of the procedure which we have followed in the last few years. It does of necessity prolong the debate on this particular subject.

This year the speech from the throne was particularly significant in one respect, namely, the rather veiled inference that the Canadian people would enjoy reductions in taxation. It has also been indicated, Mr. Speaker, that this was an unusual thing to have occur. Of course, those of us who realize that an election cannot be too far away very quickly determined the reason for its having occurred this year. However, I would say to the Canadian people, knowing what most of us know about the many utterances of the government, that they should not feel too certain that the present expectations of theirs will bear the type of fruit which they would have them bear. Not only did the speech from the throne indicate the possibility of tax reductions, but several other hints have been given out. We know that certain very mysterious messages have come out of Liberal caucuses. I realize that these caucuses are supposed to be secret affairs. On the other hand, even though they are secret, I am sure that when some message designed to please the Canadian people should get out it will get out. For example, I am not so certain that the newspapermen were just guessing when they referred to certain things which had happened in the Liberal caucuses.

Those of us who listen to the radio also hear some very strange things sometimes.

Mr. Low: Sources close to the minister.

Mr. Shaw: Yes. I happened to tune in to the Minister of Justice quite by accident the other night and I heard him making certain references to tax cuts which could be expected. However, I am not going to try to repeat what I heard him say over the air, but I am going to quote the Ottawa *Citizen* of February 18, which referred to what the Minister of Justice had said. It is as follows:

> Mr. Garson hinted indirectly at the possibility of tax reductions in the forthcoming budget. Defending the government's use of surpluses to reduce public debt he said this did not mean "we cannot have further reductions in taxes." He added, "because we have reduced debt we are in all the better position to keep down taxes. But the extent of these tax reductions is a matter of policy."

Mr. Low: Hope deferred maketh the heart sick.

Mr. Brown: Amen.

Mr. Shaw: Just about every second day there are in the press articles which are not, I would say, based upon mere flights of

imagination, also indicating that we can expect these tax cuts. To me it has been extremely interesting to observe that earlier in this debate private Liberal members have been popping up here, there and everywhere to assert that this year the government must lift at least part of the burden from the backs of the Canadian taxpayers and reduce taxes. Obviously, Mr. Speaker, that is all right from the government's point of view, because it is realized by many that this is occurring in many quarters for the first time. I believe I know why some hon. members are doing that. They are now trying to create the impression in the minds of their constituents that during the past two, three or four years this has been the course of action which they have pursued. I assume that they will probably have these speeches printed and circulate them widely throughout their constituencies in an endeavour to create that impression. I am not saying that that is not good strategy, but I would say to the Liberal members that they should give their constituents a little more credit than they are giving them when they assume that they are not going to examine what happened a year, two years or three years ago to find out what their positions have been since the termination of hostilities.

Hon. members on the government side who are now urging tax reductions were fully aware that last year the tax burden was unnecessarily oppressive. They knew that last year. Surely to goodness the Canadian taxpayers have expressed themselves vigorously enough during the past couple of years. Moreover, I think hon. gentlemen over there were perfectly aware that the exemptions for the single and for the married taxpayers were scandalously low. They knew last year, and they knew the year before, that because of the application of sales taxes which inflate prices artificially, hidden taxes and a great number of nuisance taxes, the cost of living in this country was being kept at a level higher than was necessary.

It always amazes me that the government of this country, and hon. members supporting the government, yell about prices, and yet they have consistently refused to take any action either to make known what part of the prices was made up of taxation or to reduce these taxes and thus strike a blow for lower consumer prices.

Hon. members on the government side of the house have also been aware of the rank discrimination which has existed in these tax impositions. It is not necessary to go beyond just one or two examples. One of the most obvious is the special 25 per cent luxury tax. Go into a jeweler's store and ask him what commodities are taxed the 25 per cent luxury tax, and he will show you a list of commodities. Come out of his store and go into an adjoining store. While you will not find exactly the same commodities, you will find commodities which by no stretch of the imagination can be put in another category, and yet they do not bear the 25 per cent luxury tax. It is my belief that one of the reasons for the jewelers complaining so vigorously about this 25 per cent tax is the fact that it is discriminatory in its application.

I might also refer to the high percentage increase of certain commodities. Take the soft-drink industry as an example. Take the lowly chocolate bar, which has been frequently mentioned in this house. If you take the total tax imposed upon these commodities, and work out the percentage of tax on the commodity, you will find one of the most outstanding examples of discrimination in the application of taxation.

In 1948 the Liberal members of the House of Commons knew, along with the rest of us, that living costs in Canada had reached an all-time high. They realized that the 1948 budget granted no significant reduction in taxation, and they were also conscious of the fact that it was estimated there would be a surplus of something of the order of $600 million; yet when the budget came down last spring I did not see members on the other side criticizing or condemning it. All of them seemed sufficiently satisfied with the tax proposals to give wholehearted support to government policy. All one has to do is to examine *Hansard* for May 27 of last year to determine where they stood on this matter of taxation.

I recall vividly last March moving an amendment to the speech from the throne. My amendment at that time was designed to do certain very specific things. I am going to refer to it because, so far as my colleagues and I are concerned, our position has not changed one iota with respect to that amendment. I would move it again tonight, if it were not for two factors, one that we already have two amendments, and the second that last year it was ruled out of order on the ground that it was not sufficiently abstract when dealing with a matter which might involve an expenditure of government money. On this ground 99 per cent of all the amendments moved in the House of Commons might be ruled out. Therefore, even if there were not two amendments already before the house, I would not go through the mockery of moving this one again tonight.

However, I am going to deal with it briefly. I argued last year that my amendment was

designed to contribute toward the stabilization of the Canadian economy. It had a second purpose, namely, to contribute toward meeting the existing crisis in living costs. I called first for exemption from income tax of incomes of married persons of $2,400 and less, and of single persons of $1,500, these to be progressively increased to $3,000 and $2,000 as production increased in relation to demand.

The second point in my amendment called for the elimination of the sales tax, and a substantial reduction in excise, processing and all other hidden and nuisance taxes. I emphasized at that time that the most vicious aspect of the sales tax was its cumulative effect from the time it started as a raw commodity until it reached the ultimate purchaser. I was pleased to hear an hon. member on the government side refer to this very point not very long ago. He gave specific figures and, as a businessman, he was in an admirable position to do so. I commend him for that information; and I shall also watch him to see how he votes if he does not get what he asserted the people should have.

Then we also called in our amendment for substantial increases in family allowances and, I would add, the removal of a number of discriminatory conditions which at present exist in connection with the application of family allowances. We pressed for increases in old age pensions, together with the elimination of the means test and a reduction in the pensionable age.

Before discussing in greater detail the matter of old age pensions, may I point out that in that same amendment we asked for adequate provision for all disabled adults, and selective subsidies, especially on food products and necessities of living.

May I for a moment discuss in greater detail the matter of old age pensions. I was delighted to learn that this year the government is going to reduce the pensionable age for women to sixty years and for men to sixty-five years, and remove the means test. I notice some eyes opening on the other side of the house; perhaps I should hasten to advise hon. members that I have not been let in on any secrets to which they should have been a party. No doubt many of them are aware of that to which I am now going to refer.

I have before me the February issue of the official organ of the old age pension organization in British Columbia. Let me emphasize that this is the February issue. I find from New Westminster this extremely interesting report, which states:

All roads led to New Westminster on Thursday, January 13, when No. 2 branch held open house for their annual banquet in the Eagles hall.

Then, after referring to those who were present, it states:

Mr. Tom Reid, M.P.—

Who, incidentally, is a parliamentary assistant, and would speak with greater authority than if he were just a private member—

—is reported as having said—

I shall read the paragraph just as it appears here, so that there may be no confusion—

Mr. Tom Reid, M.P. in a brief address stated he fully expected that the federal government would revise the Old Age Pensions Act and bring in the following improvements: reduce the pensionable age for women to sixty years and for men to sixty-five years; abolish the means test. Mr. Reid—

Mr. Reid: I hope I am not disappointed.

Mr. Shaw: Let me finish.

—Mr. Reid intimated that these improvements in the Old Age Pensions Act would be undertaken in the next session of the federal parliament which convenes on January 26.

Mr. Reid: The article the hon. member has read states what I said at that time, with the exception that I did not say it was going to be carried out. I said I fully expected that it would be.

Mr. Shaw: It does not state here that it would be carried out this session. It states the hon. member intimated that these improvements in the Old Age Pensions Act would be undertaken at the next session of the federal parliament.

Mr. Hansell: Did he state whether it would be on a non-contributory basis?

Mr. Shaw: That reference is not here, as to whether it would be contributory or non-contributory. However, knowing the hon. member as I do, I imagine he would fight for a non-contributory pension.

When I read that, I assumed that since the hon. member for New Westminster is a parliamentary assistant he would undoubtedly know more about it than other hon. members who sit about him, and that we might put more stock in this than might otherwise be the case.

Mr. Knowles: Too bad he is not a minister.

Mr. Shaw: That must have been great encouragement to old age pensioners and others who read this publication. I hope the hon. member for New Westminster will really fight to see that this becomes a reality in the present year. I know he has taken a worthy stand in the matter. May I assure him, and all other members on the government side, that they will have our support 100 per cent in that.

Earlier in the debate reference was made, I believe by the leader of the opposition (Mr.

Drew), to the fact that in recent times Liberal members have been indulging in some rather questionable practices in the matter of securing votes in by-elections. Had this been only an isolated instance I could have forgotten it; but it looks as though it is becoming the pattern for the next general election.

Before referring to one or two of those matters, however, may I point out that this failure to cut taxes last year, the building up of a tremendous surplus and now the offering of all these plums, was ably dealt with by Mr. W. D. Kearns who, according to a press report, was secretary of the Liberal Association in the constituency of Rosedale, and a Liberal candidate at the 1945 general election. He just quit the Liberals the other day, and upon that occasion said this:

> Tax reductions badly needed by the people were withheld for an election year. Now we shall see an attempt by the government to buy the people with their own money. I am against it.

That feeling has become pretty widespread in this country. I received a letter just the other day from Nova Scotia commenting upon the by-election in Digby-Annapolis-Kings. This man says:

> There is a general feeling down here that the time has come for a change of government at Ottawa. I want to assure you that I concur in that view even though I am a believer in Liberal principles.

I think possibly our Liberal friends across the way should pay heed to some of these expressions which are emanating from all quarters of the country. A moment ago I mentioned that reference had been made to certain questionable practices in connection with procuring votes and that a while ago mention was made in this house of the Liberal convention which had been held in Alberta. According to the press, all Liberals in Alberta—the whole two hundred of them—attended that convention. A minister went out there, I assume to instil some hope where hope is conspicuous by its absence; to inspire enthusiasm among those Liberals who have no cause to be enthused.

The Minister of Reconstruction and Supply (Mr. Winters) was sent out there, but I think he was the wrong minister to send. He was a new minister and he had been enmeshed in the administrative complications and entanglements which always result from twentieth century Liberal policies. He was embroiled in the confusion of his surroundings, being a Liberal cabinet minister, and when he got out there he said: I cannot even remember the party which Mr. Low represents in the House of Commons. So I say he was a bad choice to send out there. He said: You know, I do not know what Social Credit is; I do not know what it stands for. He made one or two similar observations. Of course, as I said before, with his own complications and entanglements he could not be expected to take time to learn.

He went out to tell those Liberals in Alberta, those few deluded people, what they should do. He said that practically all the benefits received by the people in that province had come from the federal Liberal government. I can just imagine that as those Liberals sat there they were thinking of the iniquitous freight rate structure which drags so many dollars out of the consumer and drags so many dollars out of the producer. They must have been thinking of the iniquitous tax structure and the great burden of debt which Liberal policies have imposed on Canada, with their staggering annual payments in interest and other carrying charges.

Mr. Sinnott: Mr. Speaker—

Mr. Shaw: The hon. member for Springfield interjects, but I say to him that at the present time he is only a political hitchhiker and is not supposed to know what his party stands for. Those people out there must have been thinking of the inadequate old age pensions and how, if it were not for the supplementary bonus of $7, the free hospitalization, the free medical, dental, optical and other services paid for by the province, some of them would actually starve to death with the basic pension which this government is pleased to make available to them.

I can imagine how the businessmen who sat in that meeting were cursing under their breaths because of the Liberal policies which have made pretty nearly every businessman in this country a civil servant without salary. They must also have been thinking of the losses sustained by the farmers of the west from time to time by virtue of Liberal government policy.

Getting back to the questionable methods to which I referred, the minister said that Alberta would get even more benefits than she was getting now if she sent representatives of a national and not a provincial party to the House of Commons. I should like the minister at his early convenience to name those additional benefits that Alberta would get if they elected more Liberals.

The inexperienced Liberal leader in the province, taking his cue from the federal cabinet minister, went a little bit further in his enthusiasm. He said that the voters should side with the party they think is going to win so they will have a friend at court.

An hon. Member: Who is the Liberal leader out there?

Mr. Shaw: Harper Prowse.

Some hon. Members: Hear, hear.

Mr. Shaw: I would say to the hon. gentlemen who are applauding that Mr. Prowse is a gentleman who at the present time is wandering in the political wilderness. There is no question about that. I think it is high time that the people of the country were made aware of some of these things. I have what Mr. Prowse said somewhere, but I will give his second statement without reading it. He said that while in the past Alberta had had only two Liberal members in the House of Commons she had received a fair share of federal government moneys, and more could be expected if more Liberals were sent to the House of Commons at Ottawa.

I know that "fair" means two things. It means not good and not enough. He is not going to admit that. On the other hand, it may be that he thought we were getting as much as we deserved in the light of what other provinces were getting and in the light of the total amount the federal government had to give out. What he was actually saying was: If you in Alberta will elect more Liberals we will give you more than your share of federal moneys. That is exactly what it resolves itself into. In my opinion that becomes nothing less than bribery.

I should like to read what the Calgary *Albertan* had to say about the statements made at this convention. They refer to the fact that Mr. Prowse must be a politician and can be expected to take the politician's viewpoint:

> But still it was a shock to hear him make two particular points in an address to the recent Liberal convention in Calgary. One point was that the voters should side with the party they think is going to win, so they will have a "friend at court." The other was that Alberta, with only two Liberal M.P.'s at Ottawa, got a fair share of federal money, and could be expected to do much better by increasing its Liberal representation.

And then again:

> But we would like to think that federal governments would distribute available moneys among the provinces with regard only to need and other such considerations, and without regard to how those provinces voted. We would like to think that voters would vote for what they thought was the best party, not the one with the best chance of winning. We would appreciate the federal Liberal party appealing to the Alberta electorate on its record and on issues and not on "having a friend at court" and getting government grants.

The next paragraph is significant:

> Come to think of it, Alberta has been "agin" the federal government for going on to twenty-eight years. In all that time the contingent of Alberta M.P.'s has been in the opposition at Ottawa. Yet Alberta seems to be doing fairly well. Perhaps Mr. Prowse doesn't understand the people of this province.

That goes for my hon. friends opposite too. We have before us an amendment to the amendment to which I wish to refer just briefly. The first part of the amendment to the amendment calls for the orderly marketing of our natural products, and for their exchange for goods needed in Canada, and for the elimination of speculation in foodstuffs. We have no argument with that. Then they say:

> We regret further that Your Excellency's advisers have failed to make provision for national health insurance.

In connection with that, Mr. Speaker, I should like to point out that our conception of national health insurance is likely to be quite a different one from the conception of national health insurance held by my hon. friends of the C.C.F. In order that there may be no misunderstanding whatsoever I should like to make abundantly clear what kind of insurance we shall be voting for when we vote for the amendment to the amendment.

We have always taken the position that the health of every individual should be looked upon as one of our greatest natural resources. The healthy individual is able to make the greatest contribution to production, and to the arts and sciences. The physical well-being of every individual must, therefore, be recognized as of major concern and responsibility to the nation. During the war that concern and that responsibility were acknowledged by Canada. Our servicemen were provided with nourishing food, suitable environment and effective physical training, as well as with necessary dental, medical, optical and hospital services free of charge.

Mr. Low: By the people of Canada.

Mr. Shaw: By the Canadian taxpayers. All the money came out of taxes imposed on the people of Canada. We claim that a national health policy is absolutely necessary, and it should include all health measures, and all citizens should have access to them regardless of means.

Poverty, leading to malnutrition, unsanitary slum conditions, drudgery and mental anxiety, are direct causes of physical and mental degeneration. Economic insecurity of those who live just above the poverty line encourages a false economy. Through fear, such people starve themselves or resort to cheap remedies in place of proper health services.

Because of a rising demand on the part of the people of Canada for health services available to all, suggestions of compulsory and contributory state health insurance schemes have come from various quarters. This involves compulsion, and regimentation of doctors, nurses and patients, and the people, with higher direct taxation upon all. Such a policy is, in our opinion, undemocratic and unsound economically. Social Crediters are

convinced that a national health policy must involve six things. They are:

1. Steps toward abolition of poverty through the adoption of sound economic policies which assure a basic income to provide economic security in unemployment, sickness, disability or old age, and opportunity for a decent standard of living.

2. Progress towards non-contributory national health services available to all citizens irrespective of means, without regimentation of patients, doctors or hospital authorities.

3. Adequate grants-in-aid for the construction and maintenance of hospitals for curative services, and for all measures of sickness prevention, including research.

4. Encouragement of voluntary mutual schemes of sickness insurance, supplementary to national health services, for occupational groups, communities and others.

5. The systematic introduction of the principle of payment for keeping people in good health instead of placing the medical profession in the unenviable position of benefiting only in proportion to the ill health of the nation.

6. Physical culture to be promoted as an essential aspect of the national life.

Having said that, Mr. Speaker, I am prepared to reassert what I said earlier. We are ready to support the amendment to the amendment, but laying particular emphasis upon the statement I made that the type of national health insurance for which we shall vote is the type of national health insurance which I have just put on the record.

Mr. T. L. Church (Broadview): Mr. Speaker, the debate on the address in reply to the speech from the throne affords private members of the House of Commons an opportunity to discuss a redress of grievances. There are a great many grievances in this country today. I may say that one of them comes from the main tax-paying city of the dominion, Toronto. We have not had a representative in the cabinet since 1935 whereas we used to have four or five at one time from that large centre of industry, finance and education. In my opinion that is a mistake. I have no doubt there will be a change very shortly.

The old parties are just like old soldiers. They never die. They may be recreated, and all that kind of thing. I hope the day is not far distant when the party on this side of the house may be recreated because I am one of those who believe in a national government. I am in favour of a national government for our party in every province of the dominion. In two of the provinces they have what they call a union government. One of them is in British Columbia. However, it may be that the coast will face invasion very shortly. I am going to refer to the battle of the Pacific in a few minutes. I believe we would be far better off if we had a national Conservative government there. Then we could get something done regarding national affairs because, as I see it, in the Pacific coast province the only alternative is to vote for what you might call a quasi-government on the other side of the fence.

When the late Mr. Wendell Willkie was told after the 1940 presidential election that his views were contrary to his campaign speeches he ridiculed the idea and called it an insult because he said his former statements were only campaign oratory. I notice that President Truman is not slow to follow that example. According to what I read in the papers, and in the records of congress, since his election he has followed the example of Mr. Wendell Willkie regarding the Taft-Hartley Act, wage increases, and relations between labour and management generally. His words now are contrary to his campaign speeches. At the present time in all these involved matters he just wants to act the part of an umpire instead of taking sides. Therefore I say to members of the government, and all those on the other side of the house, that they may see the mote in our eye but they do not see the beam in their own eye.

One of the matters on which I wish to say something refers to the reform of the Senate. I should like some of the frontbenchers to listen to what I am going to say. I should like the Minister of Agriculture (Mr. Gardiner), the Minister of Transport (Mr. Chevrier), and all the rest of them, to listen. I should like my friends the members for York West and York South to come back here because I am going to have something to say to the Minister of Transport. As I say, I should like to have the attention of the member for York South. I think it would be far better if he would leave the Minister of Transport and come over here, because I am going to refer to the lack of steam suburban service for the Toronto district which affects his riding.

Mr. Cockeram: I shall be glad to listen.

Mr. Church: I like the members of the cabinet personally, but I say to this government that they may see the mote in the eye of those over here, but they cannot see the beam in their own eye. Talk about reform of the Senate, which has been referred to by my hon. friends to the left. On many occasions I was told in this house by the former Prime Minister that he would have a conference with the members of the other place to

see if they could not be given more work. Why, it is easier for a camel to go through the eye of a needle than for even a Victoria Cross holder to occupy a bench over in that other place. Some here spoke of moving the Senate over to Hull. I was not here that night. Then they spoke of moving them to the east block; and finally it was suggested in the house that they be moved to the printing bureau, which, it was said, would be a splendid place, since they would be in no danger there, with so many fire escapes on the building.

I believe the time has come when we should have some consideration for the province of Ontario. I am not one of those who try to get rich by being a member of parliament. Far from it. I think if I had stayed home altogether I would have been far better off. One of the things Canada should have learned from recent events is the tremendous popularity of the British royal family in this country. Another thing we must have noticed is the tremendous decline of the House of Commons as a result of surrendering its powers to the executive. Why that should be I do not know, but it is a fact, and unless there is a change in some of the newspapers, the radio and so on, so the people back home in our constituencies may know what is going on, we might just as well be meeting at times in secret, for all the people know of what is going on here.

The Canadian people rejoice in being subjects of His Majesty the King. As Canadians we are citizens of a free association of nations. The events last fall in Britain, including the illness of the king and the birth of a prince, made more apparent than ever the feelings of the Canadian people. And when Their Majesties visited Canada in 1939, nowhere did they get a better reception than in the province of Quebec. On her return to England the queen is reported to have said that the trip across Canada was something like a second coronation; and that was certainly due them for the good work they had performed.

I am more of a sportsman than a politician, and I want to congratulate one great citizen, Sir Donald Bradman, who was knighted by the king for his services to sport in general and to cricket in particular. I believe it was last New Year's day that a well deserved tribute was paid to that great Australian who has done so much for this old sport. Last June, July and August, when some members of this house were in England, they had an opportunity to see the Australian team defeat England. I have known him for a long time; he came to our city a few times, and I had a letter from him. He has become a household word, so much so that a prominent member of the British house, a Labour member who admires him, in speaking of the controls in force in that country, said an umpire might just as well try to show Bradman how to hold his bat as for the government to attempt some of the things it has been carrying on.

I was very glad to see that at its last convention my party advocated some measures of relief for the municipalities throughout Canada. One recommendation was that federal crown properties should pay some form of municipal tax for local services, such as fire and police protection and all the other things for which the city of Ottawa is paid half a million dollars. The provinces pay local taxes on their property, and it seems to me this government should do the same. I do not want our party to be called by any fancy prefixes or affixes. I am a Conservative first, last and all the time. I have no objection if the party wishes to add the word "Progressive" but I am too modest to call myself progressive, though I have brought before the house yearly many progressive measures. One of these was the national fuel policy, which I fathered in 1922. Another was parliamentary, constitutional, cabinet and law reform, one of the most important problems yet unsolved. Another was national flood control and irrigation, while another was oil pipe lines and petroleum development. I remember years ago when we had the floods in the Don river. The bridge collapsed and in later years we had to divert the Don. I also called attention to our three main problems of empire trade, defence and migration, and urged a cut of fifty per cent in all civilian estimates.

Today we have hundreds of millions of dollars being spent by outside boards and bodies without the authorization of this House of Commons. We never hear of the millions of dollars these people are spending over our heads, until we find it all charged up to the government. There is an old German proverb which says that saving is a greater art than spending. Saving is the essence of progress. We have an old proverb of our own, look after the pence and the pounds will look after themselves. That is still true; look after the cents and the dollars will look after themselves. Thrift is a great virtue. Who said that? Cicero. We should revive the old sense of personal responsibility in public affairs and see to it that the government does not squander our savings. We must never forget the old principle, that money must not be spent without representation, the disregard of which caused all the trouble in America which culminated in the Boston tea party. I

referred to this point in the house last year, in regard to the winding up of the penny bank, which taught school children the importance of thrift.

I was very glad to see the suggestion that there should be an immediate restoration of the empire air training plan, especially in view of the statement made recently by Air Marshal Tedder in regard to Britain's position in the event of trouble. Then I believe there should be a housecleaning in the C.B.C., which has been a most mischievous institution. Nobody should have free time; everybody should pay. There are hundreds and hundreds of these employees, and some of them never had jobs before. Yet we in this House of Commons cannot find out anything about the salaries that are paid. Everyone knows the salaries paid in the House of Commons; everyone knows how much the judges are paid; yet these people are brought to Toronto from all over Canada to work for this corporation. Then think of the cheap and ridiculous nonsense that we hear from the C.B.C. board of governors. If I had my way I would dismiss the whole lot of them, with the exception of the member from Toronto, Fred Crawford, who is a very good man.

Reference has been made also to provincial rights. Look at the Sirois report, one of the most mischievous documents ever compiled. If we are to have unity in Canada we must have unity between Ontario and Quebec, the keystone provinces of confederation. Although before the second war those two provinces paid about 70 per cent of all the cash taxes, they received little or nothing in the way of expenditures. I am for provincial and municipal rights, first, last and all the time. I would apply the old Conservative doctrine, each for all and all for each, as a principle of confederation for the provinces. I believe in bonuses, subventions and subsidies, as a federal remedy to aid in part in solving all provincial wrongs. I am opposed to any more political railway rate structures, and to fastening them on the two central provinces. Ontario was the forgotten province so far as the Canadian National Railways were concerned.

For many years past I have been asking for steam suburban service like that which Montreal and every American city has. I have here in my hand timetables of the Canadian National Railways and of the Canadian Pacific Railway for the city of Montreal. In Toronto we have one train a day out to Lorne Park. If we had some support we might get something better. When I was head of the city I raised this matter, but it has not been taken up since. I introduced a bill here. We compelled the old Grand Trunk railway, which was swallowed up by the Canadian National railway, to issue commutation tickets; because it was in Ontario that the old Grand Trunk railway made all its money. I would ask hon. members to look at the service in western Ontario and in the Niagara district. I succeeded in getting commutation tickets for Oakville, Brampton and some other places. Here is a list of trains of the Canadian National Railways in the Montreal district. If some newspaper would publish them, it might do some good. I am surprised that the Toronto press do nothing about this matter. If my suggestion were followed it would relieve the whole housing situation in the Toronto district. That would follow if we had in the Toronto district the same suburban service which Montreal has—trains every fifteen minutes out to Dixie, Lakeside and all those places, as they have to Lachine, Dorval and so on. The national railways should not have had its head offices in Montreal, but in the public-ownership city of Toronto. It was in Ontario that the old Grand Trunk made their money. What did they do? The province of Ontario suffered. It was then made the C.N.R. under Sir Henry Thornton, and they spent money like water. They would have given an air service to the sun, the moon and the stars if they had only been allowed to spend the money. What it simply amounted to was that Ontario got nothing. The result is that on both railways the situation is the same. I am really surprised, because there is nothing which would have increased housing, health and other services more in a city of our size and done more for the benefit of the rising generation. We do not ask for anything just for fun. We ask that we get similar treatment, and we are not getting it from that railway at the present time.

I complained about the C.N.R. service in the Toronto district, and referred to the Canadian National railways disaster in my constituency at Riverdale and Degrassi street last June. At that time a freight train jumped the track and cattle wandered all over the district. I urged the railways to lessen the speed of trains on the viaduct. A similar accident happened a month or so afterwards at the King street subway. If a streetcar had been going past at the time, the train would have jumped over on the streetcar. Another accident of the same kind happened at the Parkdale station. There should be a new C.N.R. station at Sunnyside and north Parkdale, two of the most used stations in Canada. The accommodation at the two Parkdale stations and at the Union station for women and children and for the comfort of passengers and trainmen is a relic of the

past and is becoming a nuisance as compared with rest room accommodation in Montreal, Hamilton and London. I may say that I am glad to see them get something, but it was in Ontario that the Canadian National Railways made most of its money.

Since I entered the House of Commons I have had the unanimous support of labour. In the past I have had a great deal to do with labour and have settled many strikes. When the streetcar strike took place on the old Toronto street railway, I met a great man, Mr. Gompers, president of the American federation of labour, Mr. Mahone and Mr. Fitzgerald. Together we sat down and with others settled that strike.

I may say that in conjunction with my late beloved friend, Mr. Woodsworth, when I first came to parliament I introduced a motion in favour of unemployment insurance and old age pensions. I happened to be the president of the union of Canadian municipalities when we were urging this thing in the early 1920's and before. We had hundreds of employees in the various departments in the city of Toronto, with a payroll running into millions of dollars. Some of them went to the first war and afterwards returned to their old positions in the city's service. Then we had the school board, public utilities, the harbour board, and hydro, and later on, the transportation commission, all with a large number of employees and a big payroll.

Before the present government introduced the Unemployment Insurance Act of 1940, some of the municipalities in Ontario went to Queen's Park, Mr. Hepburn then being premier, and we were told that under the Municipal Act we could not legally pay our employees on retirement $12 a week, as we used to on pension for many years. It was little enough, goodness knows, but we were told we had no power to do it and that it was quite wrong. I do not want to impose any undue burden on the employer; far from it. Unemployment insurance has been a splendid thing for the country. There were certain defects in the law and they were cured last session. The Minister of Labour (Mr. Mitchell) did good work on it, and the municipalities suggested some changes in the act, which he made.

Never has the House of Commons been faced with graver issues than now. At the present time we face the most serious economic disaster and a very direct military threat, as we go on pretending we have security. We also err, as does the United States, in taking Britain's supremacy of the seas for granted. There is only one path to take, and our Ottawa government will not follow it, namely, empire consolidation, which stood us so well in two long wars.

[Mr. Church.]

Why is any scheme of internationalism, however absurd, adopted by Ottawa instead of finding real security within our own family members in the dominions and crown colonies? The United Nations is heading us into a third war, and the west as yet is now no match for the east. Canada will soon learn the sham of depending on Washington's aid alone, without the aid of Britain and the empire, which protected us for four centuries.

Stalin's Russia is as dangerous to the peace of the world as was Hitler's Germany; and Russia, by waging a weaponless war, has already conquered huge areas of Europe and Asia. I find an analogy between the failure of the United States and Britain to occupy Berlin, and the failure of Hannibal to enter ancient Rome when only fifteen miles away. The next year Carthage was destroyed.

I note that 38,000 tons of rubber are being exported monthly from Malaya to Russia, while Canada and the empire get little or none. If the government is sincere, it should have sought defence and security, as we did safely and well in two long wars, jointly within our own family along with the dominions and crown colonies, when together with the mother country we had to go it alone for two and a half years. During the time that Russia was an ally of Germany the United States did not come in, in a military way, for over two years until the time of Pearl Harbor. I here and now ask the government in this debate—and I think I have a right to demand it of the government and its servants—that proper means be taken to see that our armed forces are prepared with effective plans for our defence, including home defence services, and that they be put on a war footing in case of an emergency. I refer to the home guard and all that kind of thing.

Now we should provide for our own defence. Without the aid of the dominions and the empire we have no defence. All our defences are based on the fact that in two long wars Britain had the supremacy of the seas. That was the real Monroe doctrine. That saved America and the world in two long wars. Now we shall have to see to our own defence, since Britain cannot do it, and it is going to cost hundreds of millions of dollars.

What is the issue in Berlin? As I told the house last June, the issue in Berlin is the command of the seas. The government claim that they never had an invitation. The United States did not need an invitation. Britain does not need an invitation and Australia does not need an invitation. The chief Air Marshal of Britain said that we are in great danger today. Britain is in grave danger today of an air raid in case of war.

Russia would be over Britain in a few minutes. Here we are asleep. The government are asleep. They do not realize the issue. The real issue in Berlin today is the command of the seas. If Britain is driven out, if America is driven out of there, then we are going to lose command of the seas. To whom? To Russia. I fail to see why Canada is not ready after all the urgings we have had. It looks to me now as if we are back to the days of Ethelred who was called Ethelred the Unready many long years ago. That is what Canada's defences are, unready. We have lost Britain; now, to defend ourselves, we have to make a deal with whom? With Washington. I remember when some of our friends in the house said in the first war and in the second war, "Why do we need to go to London for defence, when we can get all the defence we need in Washington"? Yet what happened? Two and a half years passed before they came in, in both wars. It was not until after Pearl Harbor that they came in in the last war. If that is all the defence we have, I fear we are going to be invaded. There is all this talk about nationalism and defence forces. A million men from the dominions went over in the first war under their own status, sovereignty and autonomy. One hundred and thirty-five thousand of these men fell in battle. They went over voluntarily. They did not go to fight for Britain. They went over to fight by her side, and what they did changed the whole history of the world. In the second war they went over in numbers ten times larger, with their own status, autonomy and sovereignty, and of their volition.

Today we talk about regional pacts. Well, there were regional pacts a hundred years ago. You know, regional pacts are just scraps of paper. In four centuries Britain had command of the seas and saved America's shores against Philip of Spain, Louis XIV and Napoleon, and twice in our generation the mother country has saved the world from slavery. Yet today there are those who ridicule her. We would have had the awful horrors of war on our own soil but for her. Last year I saw the cove where the enemy came. They came up the St. Laurence river as far as Riviere du Loup. We had to call a private meeting of the House of Commons to talk about the navy. I can say to my hon. friends from Quebec that they would have experienced the horrors of war on their own soil if the enemy had ever landed there, and hundreds of thousands of our people would have been killed or carted away. The tramping of feet would have been heard not only in the maritimes but in Ontario and Quebec and tens of thousands of people would have been carted away to work in the mines of Germany and Europe. We should not forget those who saved our soil in two long wars. I believe that the day is not far distant when something will have to be done about it.

I may say that for the first time in forty years Britain faces every possible threat of a war without a military ally of any consequence or strength and the whole continent of Europe will soon be dominated by Russia. In the first world war she had a very great friend who was then one of the most formidable of military powers, France. In the second world war France again was our friend and ally, although weaker, and after nine months she withered away. France is not what she used to be but she is friendly. In a military way she is somewhat powerless. Her economic affairs have improved somewhat. The net result is that Canada takes no part in the real issue.

The western union powers so far are more imaginary than real, and the Atlantic pact is somewhat up in the clouds and fog, although I hope it will be a success. Britain cannot join any customs union in Europe. If the western union means co-operation with European countries that have not our way of life, and are alien to Anglo-American ideas of liberty and civilization, it is time for us to clear away the Atlantic pact fog of the present time.

I notice the criticism in the *Economist* and other papers that the Atlantic pact will be useless without any military forces to back it up. The United States could have entered Prague, instead of halting their forces at Pilsen. That created the present Berlin situation, and possibly also this Carthaginian peace. It is time that something should be done about it.

Amidst all this, it is too bad that British leadership is not more agressive. I venture to say that if Mr. Churchill and Mr. Eden were leading the government over in that country they would long ago have met Stalin and candidly discussed with him the whole world situation and would have told him that the west meant business from the start. They would have persuaded him to change his tactics because he needs capital goods from all these western places. We already know the weaknesses of the military strength of the Brussels powers, backed by the United States and the British empire. We should avoid placing arms in the hands of the German people, who might abuse them again. The Russian satellites are torn between fear of Russia and fear of Germany, and the western powers will bring on a third war if they persist in rearming Germany. It will divide the west also. The duty of the west now is

to organize its military strength and to make Russia and her satellites believe that the disunity and indecision of the west are over once and for all. The west is as yet no match for the east, but if a start is made it will be better, and there is no use depending on any security from Lake Success, and such appeasement methods, which were a distinct failure in two world wars, instead of depending on our own strength from within the empire.

From the town of Yalta western statesmen have gone out of their way to demonstrate friendliness to Russia. Britain withdrew her armies, and the Americans halted at Pilsen. The result of this awful folly is now seen in the very critical situation in Berlin. Within a very few days of Japan's surrender Russia was actually invited by the Americans to declare war on Japan in order that she might participate in occupation of the Japanese empire conquered by British and American armies, and taking full advantage she at once seized and flooded Manchuria, seized the armament factories at Mukden and handed them over to the Chinese communists who have thereby been assisted in their war against the Chinese government.

The position is so serious that, unless the western allies help, it may be too late. They have provided equipment to Russia, to the point where the Chinese are likely to become communist, and will be dominated by Russia. In view of this, we should put all proper safeguards in the Atlantic pact which we will have before us shortly. Today from the Baltic to the Aegean, from the Danube to the Yellow sea, Moscow has produced a dismal picture. Each time we adopt appeasement and offer a helping hand, each time we offer appeasement to Russia, we do it at the expense of our friends, and it is interpreted by Stalin as a sign of weakness. As a consequence seven countries in Europe, together with China, have been enslaved. Other countries in Asia and throughout the world are threatened. These are the facts.

But no one is ready to do anything about it, What is the use of pretending that we have security, as we do pretend, when in fact we have not got it?

Then, I should like to refer to the Pacific, because in the Pacific ocean we used to have our protection from the United States. At the time of the first war Japan looked after the Pacific, with the result that the United States and Great Britain were able to devote their energies to the other theatre of war. However, as I pointed out in the house before the beginning of the second world war, at the time of that war the situation was quite different. We had a long coast line stretching 760 miles from Puget Sound to Queen Charlotte islands. That coast line is absolutely unprotected. What are we going to do about it, so far as Russia is concerned? She has a powerful fleet and air force at the present time. And, I can tell you this, that she may be out there quicker than you think.

The Pacific question should be an empire question. Australia is interested in the Pacific. It was shown during the air debate three or four years ago, and it has been shown in Australia and in Canada, that we have a vast interest in the Pacific. Our position there should be studied; and I hope the government will study it before another session of parliament is called.

But Canada has a regular expeditionary force on all the seven seas. We have our people — thirty ambassadors — travelling all over the world. I think the Auditor General ought to get busy on this matter, and we would have some relief; because each one of them has a first secretary, a second secretary and a third secretary. I am sure I do not know what he does; perhaps he carries a jug of ice water, or something like that.

We do know however that we have all those embassies, a fact which was ridiculed last June by the hon. member for Temiscouata (Mr. Pouliot). At that time he was referring to so many of these ambassadors, and pointed out that if he were on Sparks street he would want to take the middle of the road. They all want to be at the head of the band. And we might bear in mind that the undertaker is the first man in the procession, too. These ambassadors are like drum majors who throw their drumsticks in the air and are very impressive.

All this is a mistake, this sending of amateur diplomats who learn from experience. Because that is all they are, every one of them. Some secretaries have to go along with the ministers, of course. They are always followed by their secretaries. I am not criticizing anyone's having a trip; I am always glad to see a person take a trip—but not when he is spending the country's money.

I notice my good friend the parliamentary assistant to the Minister of Agriculture (Mr. McCubbin) is not here this evening. I may say however that last fall I was in his constituency attending the funeral of an archbishop. I never saw such glorious country in my life as one sees in the county of Middlesex. But I can tell you this, that up there I saw no churches blown down, the way they were blown down in the old country. We read that the Right Reverend Bishop Renison had to celebrate communion in the ruins of Coventry cathedral, and hold the ceremony in the open air.

I do not wish to refer to my good friend the parliamentary assistant to the Minister of Agriculture. I would not object to his taking a trip. But the Auditor General should look into this expeditionary force of ours. Why, they would reach four deep from here to Lansdowne park. I notice the ministers of Health and Labour are not in their seats; but I believe they have forty or fifty fellows out on the high seas now, on their way to study hygiene, and all that sort of thing. Is it any wonder that the people are confused?

There should be a 75 per cent reduction in our expenditures. We used to run this country, at the time Sir Wilfrid Laurier came in, and Sir Charles Tupper went out, for about $36 million. But today we are away up around $4 billion. It is away up in the air—up in the clouds. I say when the figures become astronomical like that the money is being blown in such a way that nothing is gained. So I do hope something will be done about it.

At this session of parliament we as a House of Commons must concern ourselves with matters touching the very lives of our people. It is a first duty of a government to look after the peace, welfare, health, happiness and prosperity of its citizens. These are the primary considerations. We meet here surrounded by a cloud of witnesses from the constituencies, the people back home who are suffering today in this battle of life, the people who are struggling to make a living.

We should deal with the lives of the masses of the people, and the matters which concern them. We should deal with food and poor housing. This evening I said that we should have steam suburban transportation. I pointed out that taxation was too high, and that we should have national health insurance. The average elector is in need of some help in these ways.

I was in hopes that we might have some amendment to our Unemployment Insurance Act. Our labouring people could get some help in this way. Then, there should be some food subsidy, along the lines I have suggested. I hope something will be done about that too, for the low bracket wage earners.

At the present time the only sure salvation for peace, and the prevention of war, rests upon the strength of our allies. As Mr. Churchill has said, the only sure foundation for peace and the prevention of actual war rests upon strength. We owe a duty to our empire to stay strong in peace. We can be friendly only with co-operative neighbours.

The Acting Speaker (Mr. Golding): Order. The hon. member's time has expired.

Some hon. Members: Go ahead.

Mr. Church: The empire parliamentary association has turned itself into a pan-American association, and has forgotten all about the empire. It used to be the only organization which had no politics in it. Today, however, it is full of politics from top to bottom.

We should not ask the mother country to pay the cost of that trip to the old country of the parliamentary association. That burden should not be placed on the backs of the poor British taxpayers. I should think this suggestion would commend itself to the judgment of the country.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the hon. member for Rosetown-Biggar (Mr. Coldwell), when speaking in this debate, moved the following amendment:

> We regret that Your Excellency's advisers have failed to make provision for the orderly marketing of our natural products, and for their exchange for goods needed in Canada, and for the elimination of speculation in foodstuffs; We regret further that Your Excellency's advisers have failed to make provision for national health insurance.

I rise to endorse wholeheartedly that amendment to the amendment. I do so because, first, I am a firm believer in national marketing legislation and the necessity for the establishment in this country of a national marketing agency to market our primary products. I support this amendment also because I am aware of the fact that the organized farmers of this country have for some years been pressing this government to pass such legislation. I may say further that the birthplace of this type of legislation was the southern interior of British Columbia. I remember when the first committee sat to make a draft bill for the provincial legislature and I am happy to know that the draft bill presented to the cabinet by the Canadian federation of agriculture was originally drafted by the officials and delegates of the British Columbia fruit growers association. You will realize, therefore, that this legislation is of great interest to the people I have the honour to represent and to the people of Yale constituency.

I could speak at greater length on this subject but I have already spoken briefly on the matter this session. The hon. member for Yale (Mr. Jones) dealt very fully and effectively with this matter when speaking in this debate. I know the serious position facing the tree fruit industry in British Columbia and other agricultural producers as a result of this government not listening to the argument put forward by the producers. I am speaking as one who believes that if we are going to retain or recapture the United Kingdom and European markets

we cannot in the future permit the question of dollars to interfere with the exchange of our commodities.

I also support this amendment because I believe the Canadian people are looking forward to the establishment of a national health insurance scheme. I admit that the present grants in aid are a step in the right direction and will bring about some improvement in hospital and other services, but I am sure, and I believe many hon. members of this house are sure, that we will not have a worthwhile health insurance scheme until the national and provincial governments work together in co-operation with the people of Canada.

I am quite sure that the veterans of this country and their dependents are disappointed that there is no mention of veterans affairs in the speech from the throne. I am sure that those veterans who are at present living on the present scale of war veterans allowances are disappointed. I am sure the veterans organizations in this country are disappointed. I am sure the veterans who only had the opportunity to serve in England in the first war are disappointed. I am certain the imperial veterans who have resided in Canada for a long period of years are disappointed.

In addition, I am quite sure the old age pensioners of this country, who are living under increasingly difficult conditions from month to month, are disappointed, having knowledge of the large financial surplus which this government will quite likely announce, that some further remedy has not been proposed for their most unfortunate condition. I could deal at length with controls, subsidies, housing and other matters, but I am going to be brief on a few matters tonight.

I wish to take the opportunity this evening to deal with a matter of great importance to the people of the southern interior of British Columbia, a matter that they are greatly concerned about. Having criticized the speech briefly, I am pleased to note that the government will introduce an amendment to the Supreme Court Act to make the Supreme Court of Canada the court of last resort. This is something that has been advocated by this group for some years, most effectively to my personal knowledge during recent sessions of parliament by the hon. member for Kindersley (Mr. Jaenicke). I think that is a step forward in legislation in this country.

I am glad the government has indicated that it intends to introduce a bill to broaden the scope of family allowances. It sounds as though it will be all to the good and make family allowances available to a larger number of deserving people. I am also pleased to see in the address that a measure is to be introduced to provide assistance to the provinces in building a trans-Canada highway system. This announcement will be of great interest to the people of British Columbia, and to the people of the southern interior of British Columbia particularly. This is all I am going to say at this time because I hope to have something more to say on this matter at a later date.

I notice that the government has proposals for the development of navigation and power on the great lakes and in the St. Lawrence basin. I heartily support the proposals for the development of the St. Lawrence basin, but I want to take advantage of this opportunity to bring to the attention of the house the importance of the development of another great river basin in this country, of which some hon. members are unaware and of which the majority of people in Eastern Canada are totally unaware. I refer to the Canadian portion of the Columbia river basin.

The people of the Okanagan and the people of Kootenay are vitally concerned with the possible development of this vast basin. They are concerned with it because it means power for irrigation, it means power for secondary industries, it means power for agriculture, and it means power for the establishment of a large pulp industry in Kootenay West, the district which I represent.

Before proceeding to deal briefly with a review of the resources of the basin, I should like to describe the basin, and I will give the official description, which is as follows:

> The Columbia river basin is situated in the cordillera on the Pacific slope of the North American continent where its river system comprises one of the large international drainages shared by Canada and the United States. It includes approximately 259,000 square miles, between north latitudes 41 and 53 degrees and west longitudes 110 and 124 degrees. Of this vast area, some 39,700 square miles form the southeast portion of the province of British Columbia in Canada, while the 219,300 square miles in the United States include almost all of Idaho, the greater part of Oregon and Washington, western Montana and relatively small areas of western Wyoming, northwestern Utah and northeastern Nevada. The greatest width of the basin, from western Wyoming to the Pacific ocean, is 728 miles, and its maximum length, from its most northerly limit in British Columbia, to its southern boundary in northern Nevada, is 818 miles.

This vast area is capable of great development. The Canadian section of this huge triangle, about which I am going to speak briefly this evening, can be best described as starting from the junction of the Alberta and British Columbia boundaries with the international boundary, proceeding northwest along the ridge of the Rocky mountain slope to the watershed of the Canoe river which flows into the big bend of the Columbia. Then it turns southwest and follows the height of

land between the Columbia divide and the Thompson divide for possibly some thirty miles on the west side of the Arrow lakes, and then, roughly speaking, proceeds southwest towards the international boundary at a point south of Princeton.

There are four great tributaries of the Columbia river which are of major concern to Canadians. They are the Okanagan, the Kootenay, the Pend-d'Oreille and the Kettle. The international character of the basin is exemplified by the course of the Columbia, Kootenay and Pend-d'Oreille rivers, and is further demonstrated by the Flat Head, Okanagan, Similkameen and numerous smaller streams which cross the international border once or more on their way to the Columbia and its tributaries.

In order to bring to the attention of the house the great resources of the basin I will review them very briefly. I may say that my figures are based on federal government reports, provincial government reports, and reports issued by various organizations and commissions. They are only approximate, but they are approximately correct. The Canadian portion of the Columbia river basin has a population of approximately 125,000 people. Of that 125,000 people approximately 42,000 are urban dwellers and 83,000 are rural or country dwellers. The power resources of the Columbia river basin in Canada amount to about 450,000 kilowatts installed at the present time. The major portion of this is the result of the developments of the West Kootenay Power and Light Company, and the Consolidated Mining and Smelting Company on the lower portion of the Kootenay river where they have an installed capacity at the present time of 258,000 kilowatts. The difference between the 258,000 and 450,000 kilowatts is found in some installations on the Elk river, and on various smaller streams throughout the basin. The estimated total that can be developed on the main stem of the Columbia beyond the big bend at Revelstoke and to the international boundary is 2,900,000 kilowatts. This amount can be developed with control and regulation. The estimated potential development of electrical energy in the whole of the Canadian portion of the Columbia river basin is about 4,000,000 kilowatts. Therefore you can see the great possibilities for the development of power, and the opportunity to apply that power to vast and undeveloped natural resources.

At the present time the agricultural resources of the basin are extensive, although they are capable of immense development. There is a total of 305,400 acres under cultivation. Of that number 75,500 acres are irrigated. An additional 395,000 acres are in use as open grazing land. The value of the 8,000 farms in the basin, with the land, buildings and improvements, is over $60 million. The present annual production of fruit, dairy products, grain, livestock, poultry, seeds, hay, honey, and other farm produce, is about $35 million. There are still many thousands of acres to be irrigated, many thousands of acres to be cleared, and many thousands of acres to be drained.

Turning to forest resources, 13 per cent of the productive forest land in British Columbia is in the Canadian portion of the Columbia river basin. It is estimated there are 22 billion board feet of timber within the basin, of which amount 14 billion board feet are classified as accessible. That amount is being increased from year to year with the development of bigger logging equipment, and cheaper methods of building roads and developing communications. For some years the annual lumber cut has been over 300 million board feet per year. In addition to that there is an enormous quantity of cedar poles, piling, ties, mine timber, mine props, shingle bolts, fuel wood and Christmas trees shipped out of the basin annually.

At this point I have no hesitation in saying that one of the largest stands, and possibly the last large stand, of cedar poles on the north American continent, is to be found in the Canadian portion of the Columbia river basin. Tests by the forest products branch of the Department of Agriculture at Washington have proven that the cedar poles shipped out of the basin have the highest tensile strength of any poles shipped from Canada. That results from the fact that the trees grow in a higher climate with somewhat slower growth, and under mountainous conditions.

With respect to mineral resources, mining within the Columbia river basin portion of British Columbia has been a major industry for the past fifty years until now the average annual production of gold, silver, copper, lead, zinc, antimony, bismuth, coal, and by-products of those minerals, is well over $100 million a year. The largest non-ferrous smelter in the British commonwealth is operated at Trail by the Consolidated Mining and Smelting Company, which also operates vast fertilizer and chemical plants.

The fish and wild life resources of the basin are plentiful. Fish are found in the rivers, lakes and streams throughout the whole of the Columbia river basin, and these are replenished by artificial rearing and stocking operations carried on by the British Columbia game commission. Fur-bearing

animals are plentiful in the district with an estimated raw fur value of about $100,000. There are some 500 fur farms at the present time in British Columbia with an annual production of $750,000 a year. A great number of these fur farms are located within this basin.

The basin supplies marvellous recreational resources and opportunities. Outdoor recreational facilities in the Columbia river basin offer the largest range of sports to satisfy the most particular as to climate, scenery, altitude, transportation and accommodations. There is no comparable region in Canada that offers such opportunities for aquatic sports, hunting, fishing, camping, mountain climbing and skiing. With reference to skiing, I want to draw to the attention of the house two particularly fine community developments within that basin. The first and oldest is the ski jump at Revelstoke on Revelstoke mountain which is the result of many years of community effort on the part of the people of Revelstoke who were interested in the sport and interested in the young people of that district. Many of the world's champions have jumped on that hill, and many world records have been made as a result of the development of that hill in Revelstoke. Then we have a later development within the last two or three years on Red mountain at Rossland where they have one of the finest ski lifts in Canada, constructed at a very considerable cost. There are excellent hills, an excellent lodge, and everything that goes to make for excellent skiing facilities, opportunities for international and inter-varsity tournaments, and so on. The ski lift has been developed as a result of the community effort of the people of Rossland and the people of Trail, with excellent co-operation from the Consolidated Mining and Smelting Company.

With reference to navigation resources, we have the Columbia river, of which the Arrow lakes are an extension. You can travel from Grand Coulee to Revelstoke, a distance of over 300 miles. Year by year increasing numbers of American sportsmen and American fishermen seek the pleasure of new scenes and come up from Grand Coulee in their launches. Last summer they stopped on our beach and on the beaches of neighbours of mine, and thoroughly enjoyed themselves. Increasing numbers are making the trip as far north as Revelstoke. Then we have the steamer service of the C.P.R. on the Arrow lakes, passenger and freight, and the same on the Kootenay lakes. We have barge service on the Okanagan by the C.N.R. and C.P.R., and service also on the Slocan lakes.

Then I want to bring to the attention of this house what the constituency I represent has meant to Canada through the years. Mr. J. A. Mara, member for Yale, which at that time included East and West Kootenay, speaking in this house on April 1, 1896, had this to say:

> The Kootenay district contributes more per head to the general revenue than any other part of Canada . . .

I challenge anyone, taking into consideration the population of the district and the total production, to show that this condition does not prevail today.

Mr. Cruickshank: And that was under free enterprise.

Mr. Herridge: And also under the greatest co-operative development in the whole of Canada. I mention this to indicate the importance of the district, because in proceeding with my argument I want to show how Liberal and Conservative governments have overlooked the value of this district in the Canadian economy, and have neglected to defend the rights of the people of this district under certain treaties and obligations. We know this great basin extending into Canada from the United States can be developed to its fullest extent only through co-operation between these two countries. Before adjourning the debate for this evening I want to conclude my remarks at this point by quoting from a report of a committee of congress on the Columbia river and its tributaries, appointed in 1943 and 1944, to study the possibility of developing the American portion of the Columbia river basin. This is what the report had to say, in part:

> From the standpoint of resources the Columbia is is the mightiest stream on the North American continent; its potential almost beyond comprehension, for nature in one of her philanthropic moods fashioned the land with such perfection as is nowhere else known.

I now move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: We will continue this debate tomorrow.

Motion agreed to and the house adjourned at 10.55 p.m.

HOUSE OF COMMONS

Tuesday, February 22, 1949

The house met at three o'clock.

NEW MEMBER

Mr. Speaker: I have the honour to inform the house that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of the following member, viz:

Of Renaud Chapdelaine, Esquire, for the electoral district of Nicolet-Yamaska.

RELIGIOUS PERSECUTION

SATELLITE STATES OF EASTERN EUROPE—CARDINAL MINDSZENTY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like at this time to answer the question asked me yesterday by the leader of the opposition (Mr. Drew) about religious persecutions in eastern Europe.

During the past few weeks, Mr. Speaker, this house and the country as a whole have watched with deepening concern what appears to be a systematic campaign of religious persecution in all the satellite states of eastern Europe, but particularly in Hungary where within a short space of time the heads of three branches of the Christian church, the Roman Catholic, the Calvinist and the Lutheran, have either been sentenced to severe punishment or driven into exile. More recent persecutions in Bulgaria seem to be following the same pattern.

The government of Canada has already indicated in the most positive terms and in language clear beyond all possibility of mistake, its abhorrence of this systematic persecution. In a statement on New Year's day I said that the increasingly brutal persecutions of religious leaders in countries behind the iron curtain have shocked all civilized people. These views were reiterated and strengthened on February 2 by the Secretary of State for External Affairs. In the light of more recent developments, I now wish to reaffirm the position of the Canadian government.

Immediately after the arrest of Cardinal Mindszenty, Primate of Hungary, the Canadian government, as a signatory of the peace treaty, asked our diplomatic representatives in a number of European capitals and Washington to secure all the available information and to report any steps that might be anticipated on the part of the governments to which they were accredited. Careful study was given also to official intelligence from other sources and to press reports.

This was followed, as the house will recall from the statement made on February 2 by the Secretary of the State of External Affairs, by a communication to the Hungarian government, through the Hungarian minister in Washington, protesting strongly against a policy of repression and religious persecution which appeared to destroy religious freedom in Hungary and appeared also to violate obligations to secure the enjoyment of human rights, including freedom of religious worship, to which Hungary was pledged under the treaty of peace of 1947.

In this message, particular reference was made to the arrest not only of Cardinal Mindszenty, but also of the senior bishop of the Lutheran church in Hungary, and to the flight into exile, under force of persecution, of the senior bishop of the Calvinist church in Hungary.

It seems clear from these incidents that all religious faiths were involved and that a general attack was being launched on the fundamental freedoms of human society. Fresh emphasis was given to the repressive character of these arrests by the conditions under which the trial of Cardinal Mindszenty was conducted. It can hardly be said that these proceedings bear any resemblance to what we understand by a "fair trial". From official sources in which we have confidence, we learn, for example, the following facts about the conduct of this case.

The trial which involved seven persons and four different charges, including capital charges, was concluded in three days. No witnesses were called for the defence. The counsel for the prosecution made no attempt to establish his case but confined himself for the most part to enlarging on the political fairness of the trial. The counsel for the defence put no case for the defence and did not contest easily refutable statements made by the counsel for the prosecution; and the material evidence consisted of statements taken outside the court before the trial. It may be added that no representatives of non-communist governments were permitted

to attend the trial. We are informed also that the representative of the government of Australia attempted to visit Budapest for this purpose, but though a visa was promised on six occasions, it was not forthcoming.

Meanwhile the government is continuing to seek the views of like-minded governments, signatory to the treaty, on the character and desirability of any further action that may be taken jointly or independently. It has been suggested, for example, that the treaty of peace be invoked. Unfortunately, the procedures which are immediately available under the treaty of peace all depend for their effectiveness on the co-operation of the soviet government. Since the U.S.S.R. not only supports but even encourages governments which it can influence in their hostility to religion, it is not likely to give the other signatories to the peace treaties much assistance in putting a halt to religious persecution in eastern Europe. It may be, however, that the signatories to the treaties, even without the support of the soviet union, could, through joint representation based on these provisions of these treaties, have some influence upon the governments which are responsible for these acts.

Provision is also made in the treaty for a procedure leading to the establishment of a commission of three to act in regard to any dispute arising out of the execution or interpretation of the treaty. The majority decision of this commission would be binding on the parties to the dispute.

If this procedure were used, the obstruction of the U.S.S.R. to action under it could not become effective until efforts were made to give effect to the decisions of the commission.

A further possibility that has received some public notice is that the matter be referred to the United Nations; because it would seem obvious that the spirit of repression and persecution that pervades the events under review is clearly not in keeping with the charter of the United Nations or the declaration of human rights.

In any case it is the view of the government that a state which fails to carry out its treaty obligations in letter and spirit cannot expect to be supported in its application for admission to the United Nations; and indeed might expect formally to be condemned by the world organization.

But, Mr. Speaker, in examining these or any other suggestions that may be made, the government's course will be guided by considerations that are more significant than tactics or gestures. While giving the fullest expression to our profound abhorrence of religious persecution, however it may be disguised, we shall seek to take only such action as appears to offer a reasonable prospect of promoting the principles in which we believe and at the same time of ameliorating the situation with which we are faced in the communist countries.

The events in Hungary have, as hon. members know, been followed by similar action on the part of the Bulgarian government. On February 10 that government issued its indictment of fifteen Protestant leaders in that country, charging them with espionage and other crimes.

The government has instructed the Canadian charge d'affaires in Prague to apply for visas to visit Hungary and Roumania in order that he may make inquiries on the spot and report to the government. Canada is not a signatory to the Bulgarian treaty, but, in any joint action that may be considered advisable, this country would find no difficulty in associating itself with such action. The principles of religious freedom and fundamental human rights are not confined to the articles of a peace treaty.

The clear and common sense conclusion, Mr. Speaker, is that the cases of each church, each bishop, or each group of religious leaders, are horrifying incidents in what appears to be a grand design, a calculated policy of persecution, aimed not perhaps at the immediate extermination of the Christian communions, but at their ultimate subjugation and servitude. By its nature and its dogma, Marxist communism must secure the total obedience of its subjects and cannot tolerate the free speculations of the human spirit and conscience.

A plain recital of a few only of the incidents in this process reveals the pattern of persecution which is swiftly being drawn over the unhappy Christians of these lands. We are already familiar with the fate in Hungary of leaders of three different churches; and I have mentioned the indictments on February 10 by the Bulgarian government of fifteen Protestant leaders in that country. It is noteworthy that while these clergymen, all members of the United Evangelical church in Bulgaria, were apparently arrested some months ago, no indictment was made until this late date.

In Poland some twenty-six priests have been detained and eight arrested for having read a pastoral letter from their bishop in which the anti-religious actions of government officials were severely criticized.

In Czechoslovakia towards the end of last year two members of the Greek Catholic church were tried for alleged espionage activities, and early this month a new campaign was started against the church.

In Roumania in December, 1948, the Roumanian Uniate church, a branch of the Roman Catholic church, was practically extinguished

by government decree and its property confiscated.

It cannot be expected, I am sorry to say, that the tale is ended. From the Baltic to the frontiers of Greece the ceaseless pressure to impose a total communist pattern goes forward. The middle way of life, the only way broad enough to contain in peace and tolerance all creeds and all faiths, is being steadily cast aside, and nowhere is this clearer than in the realm of religious belief. There is no quick or simple solution: the problem is too vast and too many-sided. Old in essence, it is here new in form, and it has the ruthlessness of new things.

The government will continue to use whatever means are available to support every effort to assert the principles of religious and political liberty and to restore their practice.

HOUSE OF COMMONS

MOTION TO CHANGE HOURS OF EVENING SITTINGS TO 7.30-10.30 DURING DEBATE ON ADDRESS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on the order for motions, and as arranged yesterday by the house, by unanimous consent, I ask now that consideration be given to the proposal I made yesterday calling for evening sittings from 7.30 to 10.30 during the period of the debate on the address in reply to the speech from the throne.

Perhaps to keep the record clear I should point out that after I offered my amendment yesterday to the motion of the Prime Minister (Mr. St. Laurent), the leader of the opposition (Mr. Drew) made what I regarded as a reasonable request, namely, that the amendment stand over until today. A few minutes later, on a question of privilege, I pointed out that it was not possible to permit the amendment to stand over without forcing the holding over of the main motion, thus preventing debate yesterday on the address. With that in mind I said this, as reported at page 720 of *Hansard*:

> If the house will give its undertaking that we shall consider the matter tomorrow as a substantive motion, I am willing to withdraw the amendment. We can hardly let both the motion and the amendment stand over, because that would prevent the house from going on with the address today. If the house will give that assurance, I shall be glad to let this matter stand for consideration and decision by the house on a free vote at three o'clock tomorrow afternoon.

Not only was that offer made as a proper gesture, both to the leader of the opposition and to the Prime Minister, but the silence of the house at that point gave unanimous consent to the procedure suggested. Therefore I ask for consideration of that matter in the form of a substantive motion, moved by myself and seconded by the hon. member for Mackenzie (Mr. Nicholson), as follows:

> That, except on Wednesdays, Mr. Speaker shall leave the chair at six o'clock p.m. until seven-thirty, and shall adjourn the house at ten-thirty p.m., without question put, until consideration of the speech from the throne is disposed of.

That wording is precisely the wording I gave yesterday, with one exception. Where the words "said speech" appeared yesterday, I have put in the words "speech from the throne".

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, it was my understanding yesterday that it seemed to be the desire of the house to have this matter held over until today for consideration. I said yesterday that members of the government did not wish to express any views, but that they would have no objection to this experiment being made during the period of the debate on the address, if it seemed to be the desire of the house to make such an experiment.

Mr. Speaker: I think it is my duty to call the attention of the house to the fact that normally this motion would be out of order, but I believe I have to take into consideration what happened yesterday and what has just been read by the hon. member for Winnipeg North Centre. I would call the attention of hon. members to standing order 12, paragraph 107, at page 53 of Beauchesne's Third Edition. It reads:

> In all matters of doubt, the Speaker will consider attentively the opinion of members of experience, or sometimes, instead of expressing his opinion on either side, may ask instructions from the house or reserve his decision on the point in discussion, or suggest that the house may, if it think proper, dispense with the rule in a particular case. In doubtful cases, he will be largely guided by circumstances.

I believe I should put the question to the house. Is it the pleasure of the house that the hon. member have leave to present his motion?

Mr. Gordon Graydon (Peel): Mr. Speaker, before this motion is dealt with I wish to make one or two comments. Unfortunately I was unable to be here yesterday to take part in the debate, if one could call it a debate. This question of hours of sittings of the house is one which has engaged the attention of hon. members on all sides of the house for some considerable time.

Some hon. Members: Order.

Mr. Speaker: I should first ask if hon. members are willing to give the hon. member for Winnipeg North Centre leave to present his motion. If leave is granted, the hon. member for Peel may then discuss the motion.

Is it the pleasure of the house that the hon. member have leave to present his motion?

Some hon. Members: No.

Some hon. Members: Yes.

Mr. Speaker: Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And leave having been granted:

Mr. Graydon: As I was saying, many efforts have been made by members on all sides of the house to bring about some reform with respect to the time of house sittings. I think there is general agreement that some reform is desirable and that a decision in the matter must be made.

On June 25, 1947, I made a suggestion which I think had the support of many hon. members in all parts of the house. My suggestion was that we should sit continuously from one o'clock in the afternoon until seven o'clock at night. That suggestion was thrown out toward the end of the session so that we could deal with it and with other related problems at the next session. I think some twenty-seven different suggestions were made about changing the procedure and rules of the house.

As Your Honour knows, last year we set up a small but informal committee in an effort to iron out some of the difficulties which were bothering hon. members and which should be ironed out if there was to be unanimity as to the method of carrying on the business of the house. While some of us at that time were not in agreement with the original suggestion of seven to ten o'clock instead of eight to eleven, the view seemed to prevail that if we could not get something better, we might take that suggestion as it was.

Now the suggestion of the motion before us is seven-thirty to ten-thirty.

I am still of the opinion that this house should appoint a small committee, not to deal with all the ramifications of rules and house procedure, because again the discussions would go on until the end of the session, but to deal only with this question of house sittings. I hope that that will meet with the approval of the hon. member for Winnipeg North Centre. It should not take more than a day or two. Let us do this in the proper way. The committee could then come back to the House of Commons with something which would meet with general approval.

Certainly the present hours are too long. Hon. members cannot be expected to sit here year in and year out until eleven o'clock at night, when they start their work at nine in the morning. I think we would be regarded by the public as a sensible assembly if we changed the hours so that they would be more humane and tolerable to the average member. The committee could be set up at once, and perhaps before the end of this week we could arrive at some decision. It may be a decision for seven-thirty to ten-thirty, but I am not so sure that those hours meet with general approval. I suggest the immediate appointment of such a committee.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I should like to say a word in this connection. Certain rules and regulations are now in effect, and there is a recommendation by the hon. member for Peel (Mr. Graydon) that they be amended. We had the leader of his party (Mr. Drew) speaking for two hours and five minutes on two occasions when there is a forty minute limit on speeches. We who come from the far west and the maritimes are entitled to some consideration. If we are to amend the rules, then with all due deference I suggest that all the rules should be enforced, and that a member should not be allowed two hours and five minutes to apologize for blocking dominion-provincial agreement.

Some hon. Members: Order.

Mr. Cruickshank: I should like to move an amendment to the amendment.

Mr. Knowles: It is now an amendment to the motion.

Mr. Lockhart: Why all this quibbling over half an hour?

Mr. Ferguson: You are squandering the public's money.

Mr. Cruickshank: I move, in amendment, seconded by the hon. member for Provencher (Mr. Jutras), that the house sit from ten o'clock to one o'clock, and from three o'clock to six o'clock.

Mr. Speaker: Order. I am sorry, but I must say to the hon. member for Fraser Valley that I cannot accept his amendment. If the hon. member will read the rules of the house he will realize that an amendment must be worded so as to delete or add certain words at the end of the main motion. Unfortunately the amendment of the hon. gentleman does not do that.

Mr. Graydon: Mr. Speaker, before we vote on the motion, I wonder if the government has anything to say on the question of setting up a committee to study this matter.

Mr. St. Laurent: The government has no objection to a committee of members being constituted to investigate and recommend what they think might better suit the convenience of hon. members. If the whips choose to discuss it and wish to have a motion brought forward, I shall be glad to consider it and put it before the house.

Mr. Knowles: That could be done while this experiment is being made.

Mr. Solon E. Low (Peace River): It is obvious that there are various ideas as to what should be done about the hours of sitting of the house. I believe a suggestion was made last session by our own group that the house sit from two until six in the afternoon, and from eight until ten in the evening. That would not reduce the number of hours of sitting, and we could get through the same amount of work as we do now. We are not pressing that at this time, I am merely citing it to illustrate what I said to begin with, that various suggestions have been made, and it seems to me they ought to be considered by a committee. I hope that the member for Winnipeg North Centre (Mr. Knowles) will support the idea of having a small committee of the house set up to bring in a recommendation which would resolve the various suggestions into one that will be acceptable to the members of the house.

Mr. John T. Hackett (Stanstead): Mr. Speaker, I find that everybody is consulting his own convenience. While I am always ready to meet the convenience of others, it may be well for each of us to consider the propriety of engaging the House of Commons in a trial of this kind. The lives of most of us are fixed. We have habits, we have engagements, and we have appointments. To undo them for the purpose of ascertaining what effect it will have upon our digestive organs to rush through a meal, which is generally late, for the next ten days, seems to me, with great respect, out of keeping with the dignity of the house, and with the practice of this deliberative assembly. If it is thought desirable to amend the rules, let us name a committee for that purpose, and let us amend them in an orderly and accepted way.

It seems to me we are asked to adopt a method of reaching a conclusion which is devoid of the precision and finality that should be characteristic of decisions of a body of this kind. I suggest that we do not depart from parliamentary practice. For a long time members have felt that the hours of sitting are long, but the sessions are long, too. I, for one, certainly do not wish to vote for a prolongation of the session. If curtailment of the hours brings about prolongation of the session, I do not think many members will support such a suggestion. We are asked to make an experiment to determine whether or not we should meet in the evening at half past seven instead of eight. Most of us work in our rooms until the dinner hour, seven o'clock; then we dine and come back here at eight. I am totally against a change in the order of our lives for two or three weeks. I believe that if a change is to be made it should be made after discussion, and after the pleasure of the majority has been ascertained by a committee.

Some hon. Members: Question.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Cruickshank: On a point of order—

Mr. Speaker: Order. Once the question has been put, no member may rise. Those who are in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are against the motion will please say nay.

Mr. Knowles: Mr. Speaker, may I suggest a standing vote?

Mr. Speaker: Order. Those who are in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are against the motion will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

Some hon. Members: No.

Mr. Speaker: Order. Hon. members will realize that it is the duty of the Speaker to call for the yeas and nays, and I gave as my opinion that the yeas had it. If hon. members want a recorded vote, they know the procedure that must be followed; they must rise.

And some hon. members having risen:

Mr. Speaker: Call in the members.

The house divided on the motion (Mr. Knowles) which was agreed to on the following division:

YEAS

Messrs:

Abbott	Bertrand (Prescott)
Archibald	Bertrand (Terrebonne)
Argue	Blackmore
Baker	Blanchette
Barrett	Boivin
Beaudoin	Boucher
Belzile	Bowerman
Benidickson	Brown
Bertrand (Laurier)	Bryce

House of Commons

Burton
Campbell
Castleden
Chevrier
Clark
Cloutier
Coté (Verdun)
Cournoyer
Dechene
Denis
Diefenbaker
Dionne (Beauce)
Emmerson
Fair
Fleming
Fournier (Hull)
Fulton
Gardiner
Garson
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gingues
Gladstone
Gour (Russell)
Gourd (Chapleau)
Grant
Green
Gregg
Hamel
Hansell
Hartt
Hatfield
Healy
Herridge
Hlynka
Irvine
Jaenicke
Jean
Johnston
Jones
Kirk
Knight
Knowles
Lafontaine
Lalonde
Langlois
Lapointe
Laurendeau
Leger
Lesage
Low
McCuaig
McCubbin
McCullough (Assiniboia)
Macdonald (Brantford City)
MacInnis
McIvor
MacKinnon
MacLean
McMaster
Maloney
Marquis
Martin
Matthews (Kootenay East)
Maybank
Mitchell
Moore
Mutch
Nicholson
Picard
Pinard
Power
Raymond (Beauharnois-Laprairie)
Raymond (Wright)
Reid
Robinson (Simcoe East)
St. Laurent
Sinclair
Smith (York North)
Stuart (Charlotte)
Strum, Mrs.
Thatcher
Tremblay
Warren
Weir
Williams
Winkler
Wright
Young
Zaplitny—110.

NAYS

Messrs:

Adamson
Ashby
Bentley
Black (Cumberland)
Black (Yukon)
Blair
Bonnier
Bourget
Bradette
Bradshaw
Brooks
Brunelle
Cardiff
Case
Casselman
Charlton
Church
Cockeram
Coté (Matapedia-Matane)
Coyle
Cruickshank
Daniel
Desmond
Dion (Lake St. John-Roberval)
Dorion
Drew
Drope
Ferguson
Fraser
Gagnon
Golding
Graydon
Hackett
Harkness
Hazen
Henderson
Héon
Hodgson
Isnor
Jutras
Kuhl
Lennard
Lockhart
McCann
McCulloch (Pictou)
McGarry
McGregor
McIlraith
McKay
MacNaught
MacNicol
Manross
Menary
Merritt
Miller
Murphy
Nixon
Parent
Pearkes
Pearson
Quelch
Richard (Gloucester)
Richard (Ottawa East)
Robinson (Bruce)
Ross (St. Paul's)
Ross (Souris)
Rowe
Sinnott
Skey
Smith (Calgary West)
Stephenson
Stokes
Timmins
Townley-Smith
Tustin
Viau
Webb
White (Hastings-Peterborough)
White (Middlesex East)
Whitman
Winters
Wylie—82.

[Mr. Speaker.]

MAIL CONTRACTS

AMENDMENT TO MAKE SUPPLEMENTAL PAYMENTS APPLICABLE TO RENEWAL CONTRACTS

Hon. Ernest Bertrand (Postmaster General) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to amend the Mail Contracts Supplemental Payments Act to make supplemental payments authorized under the said act applicable to renewal contracts.

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

Motion agreed to.

HOUSING

CONSTRUCTION THROUGH CERTAIN AGENCIES IN 1948

On the orders of the day:

Mr. H. W. Timmins (Parkdale): On the first day of the session, January 26, I gave notice of a question to the Minister of Reconstruction and Supply; it appears on page iii of the *Votes and Proceedings* of January 26. On February 9 the question was passed as an order for return. I have never seen the return, and I ask the minister when I may have an answer to my question of January 26.

Hon. Robert H. Winters (Minister of Reconstruction and Supply): I shall be glad to look into the matter, Mr. Speaker.

REQUEST FOR DOMINION-PROVINCIAL-MUNICIPAL CONFERENCE

On the orders of the day:

Mr. Angus MacInnis (Vancouver East): I should like to direct a question to the Minister of Reconstruction and Supply. Has the attention of the minister been drawn to a statement made by the premier of British Columbia in the legislature on February 11, to the effect that the housing situation was causing him deep concern, and that he was prepared to attend a dominion-provincial-municipal conference to discuss low-rental housing projects? Will the government call

such a conference, and have any steps been already taken to that end?

Hon. Robert H. Winters (Minister of Reconstruction and Supply): I wish to thank the hon. member for giving me notice of this question. I have not seen the particular statement to which he refers, but I did have discussions in a general way with the premier of British Columbia when he was down here recently, and since his return I have had correspondence from him on the subject of housing.

With respect to the matter of a conference, the government is of the opinion that at the present time more progress can be made by discussing with each province or municipality its own particular problems on their merits; and as the Prime Minister said in Toronto on Saturday, the government stands ready at all times to discuss this problem with any provincial government in an effort to work out satisfactory long-term arrangements among the municipalities, the provinces and the dominion.

PROJECT IN ALBERTA—FORECLOSURES

On the orders of the day:

Mr. C. E. Johnston (Bow River): Mr. Speaker, I should like to ask a question of the Minister of Reconstruction and Supply, which was asked on Friday last in his absence. In view of the foreclosure proceedings by the Manufacturers Life Insurance Company of Calgary, Alberta, against home owners who have houses under construction by the Bow River Construction Company, will the government see to it that these veterans, and some civilians, will not lose their financial equity in their property as a result of these foreclosures?

Mr. Howe: Order paper.

Hon. Robert H. Winters (Minister of Reconstruction and Supply): I understood this question was to have been placed on the order paper. I have been looking for it to appear there.

SHAUGHNESSY HOSPITAL

PAY OF WARD MAIDS AND KITCHEN HELPERS

On the orders of the day:

Mr. C. C. I. Merritt (Vancouver-Burrard): I should like to direct a question to the Minister of Veterans Affairs. Why were not ward maids and kitchen helpers in Shaughnessy hospital granted the benefit of the recent civil service pay increase?

Hon. Milton F. Gregg (Minister of Veterans Affairs): The hon. member kindly gave me notice of this question. I would say that the employees of whom he speaks are paid on the prevailing rate basis. In other words, the wages bear a direct relationship to the rate existing for that type of employee elsewhere in the particular city affected. The matter of prevailing rates, not only in Vancouver but elsewhere, throughout our institutions, is frequently under review as such rates change in the employment field. In the particular instance of Vancouver, these rates are at present under review.

CANADIAN NATIONAL RAILWAYS

INSTALLATION OF SLIDE DECTECTOR FENCES

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to direct a question to the Minister of Transport. Can the minister say what progress has been made in the installation of slide detector fences and other safety devices on the Canadian National railway lines in British Columbia, and what are the plans for future installations?

Hon. Lionel Chevrier (Minister of Transport): The Canadian National Railways are installing at the present time block signals west of Kamloops, in conjunction with which they are to install three different types of slide detector fences for test purposes.

Last November the director of engineering of the board of transport commissioners made an inspection trip from Kamloops west, accompanied by members of the railway brotherhoods, and discussed other locations for the installation of slide detector fences, which will be given consideration as soon as the necessary block signals are installed and the efficiency of the slide detector fences is studied. The block signals are necessary as a first installation for the operation of slide detector fences.

I might add that, since the inspection trip referred to, I have received letters from several of the brotherhoods expressing satisfaction and appreciation at being included in the inspection party.

SUCCESSION DUTIES

INQUIRY AS TO OPENING OF OFFICE AT BARRIE, ONTARIO

On the orders of the day.

Mr. C. W. Hodgson (Victoria, Ont.): I should like to direct a question to the Minister of National Revenue. Will the minister indicate whether his department contemplates the opening of a succession duty office at Barrie, Ontario?

Hon. J. J. McCann (Minister of National Revenue): We have no intention at the present time of opening any such office.

Inquiries of the Ministry

FRUIT

PLIGHT OF BERRY GROWERS IN BRITISH COLUMBIA —QUESTION AS TO POLICY

On the orders of the day:

Mr. G. A. Cruickshank (Fraser Valley): I should like to direct a question to the Minister of Agriculture. Has his attention been called to the plight of the berry growers in the Fraser valley and in the whole of British Columbia? If so, will an announcement be made of the action to be taken?

Right Hon. J. G. Gardiner (Minister of Agriculture): Last spring we guaranteed the cost of the barrels and packing baskets which are used in British Columbia for the packing of SO_2 berries, which is a particular variety of berry used for making jam. These berries were packed and placed in barrels. We have been attempting to find a market for them. We have found a market for part of them in Ireland. We hope to find a market for still more of them, and until we have completed our efforts in connection with the marketing of them we have nothing further to announce in the way of policy.

QUESTION RESPECTING SMALL FRUIT CROPS

On the orders of the day:

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I should like to ask a question of the Minister of Agriculture. Is it the policy of the government to encourage the tearing up of small fruit and other productive crops in Canada?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the policy of the government in relation to these matters is to give the fullest possible information to those who are engaged in them. Then we think we can leave it to their own good judgment to decide whether they will continue to produce one product or another. That is the general policy, and I think it applies to all products.

MICHEL LUCIEN SEIGNEUR

INQUIRY AS TO PRESENCE IN CANADA

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to direct a question to the Minister of Mines and Resources. Is Michel Lucien Seigneur in Canada, and if so, where?

Hon. J. A. MacKinnon (Minister of Mines and Resources): My officials inform me that the man in question is in Canada, in the city of Montreal, where he has been for some two or three years. I might say further that information about this man has come to us very recently, and we are making further investigations.

[Mr. McCann.]

POTATOES

QUESTION AS TO DESTRUCTION OF PART OF 1948 CROP

On the orders of the day:

Mr. E. G. McCullough (Assiniboia): I should like to direct a question to the Minister of Agriculture. Is it the intention of the government to destroy any part of the 1948 potato crop? Will the minister state government policy in regard to this commodity?

Right Hon. J. G. Gardiner (Minister of Agriculture): The hon. member for Assiniboia was kind enough to send me a copy of these two questions. The answer to the first question is no. The answer to the second question is as follows: The objective of the plan in effect is to encourage the sale at a reasonable price of the graded product which usually goes to market, without encouraging an effort to market what has usually been fed to livestock.

TEXTILES

INQUIRY AS TO REIMPOSITION OF TARIFFS ON IMPORTS FROM BRITAIN

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): I should like to direct a question to the Minister of Finance. I apologize for not having given him notice. Have the Canadian authorities notified or intimated to the British government or the British textile officials that the tariff on British cotton or rayon goods will be reimposed in the near future?

Hon. Douglas Abbott (Minister of Finance): No.

TORONTO

REQUEST FOR STEAM SUBURBAN SERVICE

On the orders of the day:

Mr. T. L. Church (Broadview): I should like to direct a question to the Minister of Reconstruction and Supply, who addressed the young men's board of trade in Toronto last week. As a member of the government will he use his good offices to try to secure for us in the Toronto district a steam suburban service?

Hon. Robert H. Winters (Minister of Reconstruction and Supply): I shall be glad to take the question as notice.

DOMINION ELECTIONS

INQUIRY AS TO PROBABLE DATE OF GENERAL ELECTION

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): In view of the statement reported in the press as to the announcement of the Minister of

Fisheries that there is likely to be an election this fall, can the Prime Minister or any other member of the government tell us if it could not be held in June?

An hon. Member: Order paper.

PUBLIC BUILDINGS

PINE FALLS, MAN.—INQUIRY AS TO CALLING FOR TENDERS

On the orders of the day:

Mr. J. S. Sinnott (Springfield): Will the Minister of Public Works indicate when tenders will be called for a public building at Pine Falls?

Hon. Alphonse Fournier (Minister of Public Works): I cannot say offhand. I shall have to look up the record, and then I will inform the hon. member.

NATIONAL CAPITAL PLANNING

GREBER REPORT AND RECOMMENDATIONS OF COMMITTEE

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to ask a question of the Prime Minister arising out of a motion for the production of certain papers connected with the national capital planning scheme. The Prime Minister said he would communicate with the chairman of the committee and would let the house know at an early day the attitude of the chairman as to the production not only of the plan of Mr. Greber but also of the recommendations of the committee.

Right Hon. L. S. St. Laurent (Prime Minister): As promised, I did communicate with the chairman of the federal district commission. It will be their recommendation that the preliminary report of Mr. Greber be made public. I have seen, in galley form, some part of the printing, and I believe it will be a document of substantial size.

I was informed by the chairman that in spite of the recommendation that its production be expedited as much as possible, it might take five or six weeks to have it ready for tabling in the two languages. It is still being considered by the national capital planning committee, and will go from there to the federal district commission, which is to hold a meeting about the middle of March. After it is considered by the federal district commission it will be forwarded to the government. I have asked that every endeavour be made to make the delay as brief as possible.

TELEVISION

REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Mr. N. J. M. Lockhart (Lincoln): In leading periodicals in the United States cuts are being shown of the hooking up of several hundred television stations. Will the appropriate minister be making a statement soon as to what Canada is doing in this regard?

Mr. Rowe: A royal commission.

Hon. J. J. McCann (Minister of National Revenue): The matter of television is being given consideration. In the near future the government will make an announcement of policy in that regard.

INCOME TAX

REQUEST FOR EXEMPTION OF DIABETIC MEDICATIONS AND SUPPLIES

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): I should like to ask a question of the Minister of Finance. Will he consider exempting from income tax the cost to diabetics of insulin, needles and other supplies necessary for their treatment?

Hon. Douglas Abbott (Minister of Finance): I shall give consideration to that question—along with several hundred others I have received in recent weeks.

GREECE

REQUEST FOR AID FROM CANADA

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I should like to ask a question of the Prime Minister, which is prompted by the statement he made this afternoon about religious persecution behind the iron curtain, and also by the grave plight of the brave people of Greece, whom some of us saw there recently. Is the government giving consideration to the sending of material aid in the form of food, bedding, lumber and clothing to Greece, to help those people who are having such a difficult time in the face of communist invasion today?

Right Hon. L. S. St. Laurent (Prime Minister): No, there is no project before the government at the present time for the relief of the people of Greece. There has been no request in that respect. These matters usually go through the agency of the United Nations.

On the orders of the day:

Mr. Julian H. Ferguson (Simcoe North): I should like to ask a supplementary question respecting aid to Greece—

Some hon. Members: Louder.

Mr. Ferguson: Mr. Speaker, I think you should recommend some form of amplifiers to be used by those who speak in the house, or else have hon. members who cannot hear go to a doctor and have their ears looked after.

Mr. Speaker: Order.

Mr. Ferguson: I should like to ask the Prime Minister if it is possible for Canada to make a gift to Greece in recognition of the services rendered by that country to us and to the world in general. Must we rely on the recommendation of the United Nations?

Mr. Cruickshank: Let us send some margarine.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, February 21, consideration of the motion of Mr. D. F. Brown for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, to continue my saga of the Canadian portion of the Columbia river basin, may I point out that international problems respecting waters used within the Columbia river basin are subject to the provisions of two treaties signed between the governments of the United States, and of Great Britain on behalf of Canada. These are dated 1846 and 1909. The treaty of Washington of 1846 established the international boundary between Canada and the United States west of the Rocky mountains. Article II contains a provision with respect to navigation of the main stream of the Columbia river below the boundary of British Columbia.

I had intended to deal with certain aspects of article II of the Washington treaty, but as my time is limited I shall have to leave that for another occasion. Article IX of the boundary waters treaty of 1909 provides for the founding of the international joint commission, to be composed of Canadian and American representatives. That treaty was signed, and the commission came into being under the sponsorship of the late Theodore Roosevelt, who was then President of the United States, and under the late Sir Wilfrid Laurier, who was then Prime Minister of Canada.

I believe most hon. members recognize the fact that the international joint commission is a venture that has borne good fruit, and has stood as a lesson to the world in common sense and good will between nations. The international joint commission established its procedure on February 2, 1912. As a result of that it is now composed of three Canadians and three Americans, with a chairman acting for each section. The respective chairmen take the chair when the commission sits in the United States or in Canada.

The Canadian members at the present time are the Hon. Allison Glen and the Hon. George Spence. There is at present one vacancy. The commission has conducted many investigations and I have read with great interest many of its findings. I attended several of its hearings and am much impressed with the work it has done.

In 1941 the United States authorities applied for approval of certain levels of water that were going to be occasioned by the building of the Grand Coulee dam. That was after the dam was built, and I intend to have something more to say about that on a later occasion. The government of the United States and the government of Canada in 1944 agreed upon a reference to the commission with regard to the Columbia river. The Prime Minister of this country tabled that reference in this house on March 9, 1944. I should like to quote the first paragraph of the reference because it deals in brief with the instructions to the commission with respect to the Columbia basin investigation. That paragraph reads:

> In order to determine whether a greater use than is now being made of the waters of the Columbia river system would be feasible and advantageous, the governments of the United States and Canada have agreed to refer the matter to the international joint commission for investigation and report pursuant to article IX of the convention concerning boundary waters between the United States and Canada, signed January 11, 1909.

Later the same day the Prime Minister made a statement concerning this reference to the commission, which was a most important reference in so far as the people of the southeastern interior of British Columbia are concerned. The Prime Minister said:

> The report of the international joint commission will not be binding on the governments concerned, but it is likely that the investigations of the commission will result in suggestions and recommendations which will be carried into effect by joint action of the two governments.

Pursuant to that reference the international Columbia river engineering board was appointed, composed of four members, two

of whom represent Canada. The Canadian members are V. Meek, controller dominion water and power bureau, and F. G. Goodspeed, assistant chief engineer, public works of Canada. In addition to this board, the Columbia river engineering and the Okanagan engineering committees were appointed, the Canadian members being C. E. Webb, chief engineer, dominion water power bureau, Vancouver, and M. K. Morton, district engineer of public works, Vancouver.

Immediately after the reference was tabled a full scale investigation was ordered and is now proceeding. This includes aerial photography, geodetic surveys, topographical mapping, bathymetric surveys, reconnaissance surveys, geological and damsite investigations, hydrological studies, climatology, soil surveys, survey of forest resources, mineral resources, fisheries problems and recreational resources.

I understand that the estimated cost of this survey to Canada will be approximately $700,000. The entire investigation will disclose the water power resources which in that part of the country are not now being utilized because of a lack of effective control and agreement. After the investigation is completed it is hoped that public hearings will be held at various points throughout the area particularly concerned, so that the points of view of the people and of all interests can be heard. I may say for your information that public hearings were held in various parts of Canada prior to the actual commencement of the technical investigation in connection with the St. Lawrence waterway. Recently I read in both the United States and Canadian press of proposals which had been made in the United States with regard to the building of a crib dam on the Arrow lakes for the storage of water. We all know that these are only suggestions or proposals but many people in my constituency and in the adjoining constituency are confused because they think that something is going to develop immediately as a result of these suggestions. We all know that nothing will be done until the joint international commission has reported, and that anything done then will be the result of joint action between the United States and Canada. I have here a copy of the *Congressional Record* which contains a resolution presented to congress on January 24 by Senator Mitchell. In view of the fact that my time is running out I should like to place this resolution on *Hansard* for the information of the house.

Mr. Deputy Speaker: Is that agreeable to the house?

Some hon. Members: Agreed.

Mr. Herridge: It is from the Columbia basin commission on the United States side of the line and reads:

> Resolved by the Columbia basin commission that it hereby requests the international joint commission to direct its international board of engineers to give priority to studies and report on the storage of water in Arrow lakes, British Columbia, so that the commission may decide the amount of storage it will approve there, and if such report be favourable, that the Bonneville power administration and the United States, and the proper governmental agency of British Columbia and Canada, then proceed to negotiate for an agreement or agreements for building a storage dam at the outlet of Arrow lakes to impound 5,000,000 to 7,000,000 acre-feet of water, whereby British Columbia will receive an estimated annual revenue of $2,500,000 to $3,500,000 and the power plants at Grand Coulee dam and Bonneville will be enabled to produce an additional 500,000 to 700,000 kilowatts of prime power during the winter months, so that said dam may be built at as early a date as feasible, possibly by the winter of 1951-1952; and be it further resolved, that the commission urge the state legislature, the members of congress from Washington, Oregon, Idaho, and Montana, the governors of said states, and the president of the United States, to join in the above request to the American members of the international joint commission and the premier of British Columbia and the Prime Minister of Canada to join in the above request to the Canadian members of the international joint commission in the hope that the threatened electrical catastrophe to the Pacific northwest during the next five years may be averted, and that, instead, both the United States and Canada may have increased development and prosperity and a stronger national defence.

This resolution indicates the interest taken by Americans in proposed developments in Canada.

I have three or four suggestions to make before concluding what I have to say today. My first suggestion is in connection with the vacancy that exists on the international joint commission. In view of the fact that some of the major decisions of that commission will concern the province of British Columbia and particularly the Columbia river basin within that province, I suggest that the present vacancy be filled by the appointment of some one resident in British Columbia who is conversant with the opportunities that are presented in the development of this basin.

My second suggestion is that consideration should be given by this government to the development of the water resources in the basin under public ownership in co-operation with the government of British Columbia. I am recommending the establishment of a Canadian Columbia river basin authority, and in support of that proposal I should like to quote from the minutes of a committee of congress which sat in 1933-34 to consider this question and which reported with respect to the United States portion of the Columbia river basin as follows:

> We believe in private enterprise—in the expectancy of rewards for honest endeavour, labour, initiative and daring—in the things that have made

America great. But some things are too big for private enterprise, and the Columbia river is one of these.

I trust that this suggestion will receive serious consideration. A most favourable situation exists with regard to the public development of the main stem of the Columbia because there is little private interest investment to consider in connection with the development of the potential 2,900,000 horsepower.

Up to date all the proposals in connection with the development of water storage and power have come from the United States side of the line; nothing has happened so far as our government is concerned. The United States are leading us in this direction. I have in my hand the *Christian Science Monitor* for January 24, 1949, which contains this headline:

Truman Orders Columbia Valley Authority Plans

That is in connection with the United States side of the line. Farmer organizations such as the Grange, trade unions and co-operative societies are all backing the establishment of a Columbia river authority, but on this side our government remains dormant. I should like to quote again from the *Christian Science Monitor* of February 14 which contains the following report:

It would be extremely dogmatic to assert that a river could not be developed except by a valley authority modeled after TVA. But it is irrefutable that, despite the long years of effort by our other resource development and construction agencies, and the millions of dollars of expenditures, the Tennessee is the only river that has been completely harnessed and controlled in the interests of the people.

I am quite sure, Mr. Speaker, that members of all parties in the house would support public ownership and public development of power in an area such as this, if they appreciated the success of T.V.A.

My third suggestion is that, after this investigation is completed, the question of the development of the Columbia river basin should be referred to the standing committee on mines, forests and waters to study and report on the use of power resources in the basin. A similar committee was established by congress to study and report to congress on the great possibilities in the United States portion of the Columbia river basin. The people of the Columbia river basin, which includes East Kootenay, West Kootenay, Yale, and a portion of the riding represented by the hon. member for Kamloops (Mr. Fulton), are greatly concerned in the development of the basin. They are anxious to see the establishment of the pulp and paper industry. They are concerned about secondary industries; they are concerned about the development of power for irrigation in the Okanagan district.

As a result of the interest of the people of these areas, and their understanding of the importance of the question, I have received a large number of letters suggesting that it is time for the people to hold a conference which will include representatives of all types of organizations. I suggest that farm organizations, co-operative organizations, trade unions, boards of trade, women's institutes, rod and gun clubs, municipal councils, irrigation associations, and tourist camp operators should hold a conference in the near future in order to co-ordinate their ideas, and in order to be in a position to present them effectively to the commission and to the government. I suggest that it would be wise for the co-operative organizations of the area to take the lead because they represent the larger number of people. The people do not want the policies for the development of this area determined by directors of companies who reside in Montreal and New York. They want them determined by the co-operation of the federal government, the provincial government, and the people of the area. In any development financiers and industrialists, naturally enough, must first consider profits; engineers must consider kilowatts, technical details, location and structures. It is the primary duty of the members of this house to be concerned about the welfare of the people as a whole, and to see that these developments are carried on for their greater benefit, and to their advantage.

My fourth suggestion, Mr. Speaker, is that the Columbia river basin is rich in history and rich in possibilities for the taking of an excellent documentary film by the national film board. I believe if democracy is to function satisfactorily people must be involved in the administration of their own affairs. I believe further that governments of all kinds should do more to inform the people about the development of the country. Dry official reports and scanty newspaper articles are not sufficient. In my opinion all educational authorities should co-operate to present the facts concerning Canada in such a form as to stimulate interest, understanding, and pride in national, provincial, regional and local developments. I think that the national film board could make a great contribution towards arousing the interest of the youth of our country by undertaking a documentary film covering the development of the Columbia river basin. I offer that as a positive suggestion towards offsetting the forces of fascism and communism about which many people in Canada are concerned at this time, because I do not believe those forces can be overcome by verbal blasts or merely talking about them. I believe they are going to be overcome by interesting the people, and particularly the young people of the country,

in the co-operative development of the resources of the nation by federal, provincial and municipal governments.

I have endeavoured in the time available to present to the house some information concerning the Canadian portion of the Columbia river basin, and I have endeavoured to advance certain suggestions. I trust that many members of the house, and the government, will give serious consideration to my proposals. In my opinion a solution cannot be found to our problems by merely emphasizing our rights, but I do believe that we can achieve great things in the development of this basin if all the interests concerned, federal, provincial, municipal, corporate, co-operative, and private, are willing to accept their full share of responsibility. What an opportunity the development of the Columbia river basin, almost unknown to the majority of the Canadian people, offers for the democratic meshing of all these interests.

The residents of the Columbia river basin do not intend to be silent spectators in the coming drama of development but understanding and active members of the cast playing their parts with purpose, and in harmony, to the benefit of all, and to the benefit of Canada.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, it will be four weeks tomorrow since the house opened, and it is almost four weeks since the address in reply to the speech from the throne was moved. I want to take your minds back to that time, and express my appreciation of the addresses made by the mover and seconder on that occasion, and also express appreciation of the very effective manner in which the new leaders who have taken their places in the house presented their opinions on that occasion.

The discussion which is before us at the present moment is based upon the amendment to the amendment which was moved by the leader of the C.C.F. party (Mr. Coldwell). I wish to read that amendment in order to bring its context back to the memory of the members of the house. On page 95 of *Hansard* I find the following:

> Therefore, Mr. Speaker, seconded by the hon. member for Vancouver East (Mr. MacInnis) I move: "That the following words be inserted in the amendment between the word 'address' and the word 'we': We regret that Your Excellency's advisers have failed to make provisions for the orderly marketing of our natural products, and for their exchange for goods needed in Canada, and for the elimination of speculation in foodstuffs.
>
> We regret further that Your Excellency's advisers have failed to make provision for national health insurance."

I do not intend to say anything this afternoon about the latter part of the amendment to the amendment, but I take for granted that the first part of the amendment to the amendment has to do with policies associated with the marketing of natural products, and in particular the products of the farm. For that reason it is my intention to deal with the subject for some little time in the hope that I can remove some of the misunderstandings that we appear to have with regard to our present position in relation to trade.

Six years of war have intervened between now and the time when a very important action took place which has come back into effect since the war, and which many of us appear to have forgotten. The trade of Great Britain during the century preceding the present one was built up under a policy of free trade. I do not think I am stating something which is not fully understood on all sides of the house when I say that policy was advocated by what came to be known as the leaders of liberalism in those islands. The policy of free trade was continued until 1932, and there are some reasons why it was changed at that time.

Before going on to speak of those changes, it is a matter of record that although Liberal leaders in Great Britain first advocated policies of free trade, those policies later were taken up by the leaders of the opposition party, known as the union party, and advocated as persistently and consistently by that party as by the Liberal party. But in the early twenties a group came into being in Britain who did not believe in those policies. As a result of the experiences Britain and other countries had undergone during the war through which the nations of the world had just passed, they thought a great deal more could be accomplished by controls, by agreements and by quotas than through free trade. They were able to press their arguments with such force that two elections were contested in Britain within a period of about eighteen months. One was held in late 1929 or early 1930 and the other in 1931, and after the second election the representation was such that it became necessary to form a coalition government composed of Conservatives, Labour members and Liberals. The Liberals who entered that government undertook in due course to forget the policies they had advocated for a hundred years, and agreed that for the time being some other action was required in order to build up the trade of Great Britain and balance her position as compared with that of other nations.

They did not take that action without considerable pressure, much of which came from Canada and Australia. As a matter of fact I believe four of the great dominions of the British commonwealth undertook to see to it

that the policies of Great Britain were entirely changed so that we should have a very wide preference in the British market. Those who were pressing for this change made one or two appearances in Britain during the period I have mentioned, when those two elections were held; and after returning from the first visit the then Prime Minister of Canada, the late Right Hon. R. B. Bennett, impressed on this house the thought that there were no longer any free markets in the world. He went so far as to say that it was very difficult to find markets at all, and that it was becoming more and more difficult to trade even with one another and maintain our prosperity. As a matter of fact he said that "where there were markets thirty years before there were no markets now and that where there were markets even ten years before there were no markets now."

Not only was that said by the leader of the government of that day; it was taken up also by the then leader of the C.C.F. party, Mr. Woodsworth, who agreed with Mr. Bennett. In fact Mr. Woodsworth thought Mr. Bennett had not gone far enough, and said there were no markets to be found anywhere. Well, certain policies were built upon those ideas which prevailed not only in this country but also to some extent across the seas, and I have here the legislation passed by this house on that occasion, which by the way is still in existence. Before reading from it, however, I want to read just one sentence from an article which was prepared by Mr. Bennett, dated December 2, 1930, replying to a statement made by Mr. Thomas in Great Britain, who said the policy being advocated by Canada and Australia and some other countries was humbug. Replying to that statement Mr. Bennett said:

> I have declared on several occasions my willingness to favourably consider a quota system as a competitive method to that of tariffs for securing a preferred position for empire wheat in the United Kingdom.

Then in 1932 this house adopted legislation known as:

> An Act respecting a certain trade agreement between His Majesty's government in Canada and His Majesty's government in the United Kingdom.

Article 1 in the schedule to that act reads:

> His Majesty's government in the United Kingdom undertake that orders shall be made in accordance with the provisions of section 4 of the Import Duties Act, 1932, which will ensure the continuance after the 15th November, 1932, of entry free of duty into the United Kingdom of goods consigned from any part of the British empire and grown, produced or manufactured in Canada which by virtue of that act are now free of duty subject, however, to the reservations set forth in schedule A appended hereto.

Schedule A provides:

> As regards eggs, poultry, butter, cheese and other milk products, free entry for Canadian produce will be continued for three years certain. His Majesty's government in the United Kingdom, however, reserve to themselves the right, after the expiration of three years, if they consider it necessary in the interests of the United Kingdom producer to do so, to review the basis of preference so far as relates to the articles above enumerated and, after notifying His Majesty's government in Canada either to impose a preferential duty on Canadian produce whilst maintaining preferential margins, or—

This is the important part.

> —in consultation with the Canadian government to bring such produce within any system which may be put into operation for the quantitative regulation of supplies from all sources in the United Kingdom market.

In that regard I want to call attention to the fact that in the first place the government of Canada insisted on having the free market in Great Britain for food products and some other items brought to an end, and then insisted on certain preferences for our own products in that market. In return for obtaining consideration in that market they agreed that it was quite right and proper for the British government to quota the imports coming to that market from any country in the world, including the countries of the commonwealth.

Let us examine for a moment what that meant. My first experience with that provision was in 1936. When I came to Ottawa as Minister of Agriculture I thought my main task in a federal government would be to promote the marketing of farm products, at the same time promoting their production in order that we might take advantage of the greatest possible share of the markets of the world that were available to us at that time.

I went to Britain in 1936 as part of the delegation that was going to deal with the provisions in that act. At the time when the British government was empowered by the act of 1932 to substitute quotas for tariffs as suggested by the late Mr. Bennett in 1930 and to apply them to the different countries which supplied their food, they took as the basis the quantity which we had sent into that market in 1935. They said that what Poland sent in 1935 should be the basis of consideration for that country; that what Denmark had sent in 1935 should be the basis of consideration in so far as that country was concerned; and that what Canada had sent in 1935 should likewise be the basis upon which our quantities were to be established.

If the operation had taken place exactly as planned, it would have resulted in our taking certain quantities in connection with bacon. The quantity which was discussed at great length was 160 million pounds, that being the quantity they understood we could produce because of what we produced in the preceding year. Then they said, "Why, you only sent over between six and seven thousand head

of cattle in the preceding year." When we spoke of a number approximating 60,000 head, we were unable to get them to write that figure into the quota.

The same condition existed in connection with our cheese. The quantity of cheese we had been sending over was very much less than we had sent over around the beginning of the century. We had hopes of increasing our cheese production. When we went to Britain to set down the quota in connection with cheese, we were unable to obtain quantities greater than those I have been mentioning to the house. This took place in 1936. Finally, we did succeed in having the British government give us an undertaking they would not check us further until we reached 280 million pounds of bacon; that they would not check us further until we got up to approximately 60,000 head of cattle, nor would they check us further with regard to our cheese production until we had reached 60 million pounds. The British government insisted, however, upon a very definite understanding that this food would be forthcoming. It was said that since they had given away opportunities of obtaining their food in a free market at the cheapest possible price, and since Britain had only 7 per cent of her population engaged in farming, the British government must be in the position of being assured of the quantities of food that would be forthcoming from the different countries of the world. We, being a federation, were unable to give that assurance.

As a new country, we offered this argument: We said that was all very well for some of the old world countries whose farm lands were fully occupied and who were producing to the limit. We said a new country such as Canada must have an opportunity of expanding, that tying us down to quotas of that sort would not give us that opportunity. In the years between that year and the war, we were successful in increasing our production considerably and thus placing much greater quantities of meat and dairy products upon the British market than in 1935. We had almost reached a point in that connection when further checks might have been made had war not broken out, but war came.

When the war came we transferred over from a policy of quotas established by agreement from year to year between governments to a policy of entering into a bilateral agreement to deliver to Britain certain quantities of food. I submit to this house, Mr. Speaker, there is not very much difference in principle between the two. There is not very much difference between being required to go to London every year and work out the amount of our quota, and sitting down from year to year and making a bilateral agreement such as we made during the war years.

I cite these facts, Mr. Speaker, in order to place in the minds of the members of this house the fact that some people who are very critical today of quotas, and very critical of bilateral contracts, were responsible for the creation of the conditions under which we have been working from 1932 to the present. In 1940, the first year of the war, this question came up when we were in Britain. I was there representing the agricultural people of this country and insisting that we had already produced over 300 million pounds of bacon in surplus in one year. I felt we could deliver to Britain over 400 million pounds of bacon in a year. I was told by the British government we had to accept one of two things: Either we could sell Britain 380 million pounds of bacon at the same price as we obtained the year before or we could sell that country 445 million pounds of bacon for the same amount of money; in other words, at a lower price per unit. In order to keep our product in the market we sold it at the lower price which required a reduction in the price of bacon going to Britain, as I remember it, of approximately 11 shillings as compared with the price obtained the preceding year.

There is another fact I think we ought to remember at this time in connection with this matter. While our price was lower for the second year, our price for the preceding year had been higher than the United States price for hogs by from three to five cents a pound. I, as well as others, considered the British were quite justified in coming back the second year and requesting the product from Canada at a lower price in view of the fact that the cost of feed had gone down very materially because we had no market for our grain at that time. This lack of markets for grain was caused by the war.

To come back to the point I was making, the question came up as to whether we would prefer a better price for our bacon than was being offered or whether we would prefer to have a long-time agreement which would carry on for some years after the war. I suggested that, if anyone was prepared to discuss that question with us, we were prepared to discuss it. The discussion stopped right there. The next day we were told that the 1932 agreements and the quotas arranged in 1936-37—those quotas applied to the European countries and the commonwealth countries—would come back into force after the war. We would have to be prepared and the other countries would have to be prepared to meet a situation which would be created by the fact we had changed our policies in relation to trade, not only throughout the

empire but throughout the world, by means of what took place between 1932 and 1936-37. It was clearly indicated we should be prepared, therefore, when the war was over, to meet a situation which had been created by the agreements made in former years.

Someone may say, but you have had a Liberal government since 1935 and you have not done away with that legislation. The question is obvious and the answer is just as obvious. There is not a free market in Britain as there was prior to 1932. There is not any free market because a protective market was forced upon the people of that country to a degree, or they were argued into it by their own leaders both in the economic field and in politics. Those new leaders convinced them of the effectiveness of new theories. Since that time, as every hon. member knows, the old Liberal idea of basing your prosperity upon trade has not held the same place in Great Britain or anywhere else that it held prior to the making of the 1932 agreements. If there have been any difficulties which have arisen as a result of the change, these difficulties no doubt have been brought about by the fact that there has been a change from free trade to preferences. The benefits of free trade cannot be re-established except by the British.

May I point out just for a moment what that means to us now? When we met to discuss the possible marketing of farm products in Great Britain from the time the turn came in the war in 1943 and 1944 down to the end, on every occasion, no matter what government was in power in Britain, the fact that was emphasized was that we were getting back nearer and nearer to the position where it would be necessary for us to come under these old arrangements which had been made previously, and therefore we had better start to govern ourselves accordingly. We did govern ourselves accordingly. We took 10,000,000 acres of land out of wheat production in this country in the early part of the war. We put that land into the production of livestock and livestock products. In the last two years of the war, and in the year immediately following the war, we put the greater part of those 10,000,000 acres back into wheat and we took the grain for human consumption rather than for the production of livestock. Therefore, we have changed over twice since the beginning of the war; first from the production of wheat into the production of livestock, and then back from the production of livestock into the production of wheat.

There are one or two questions which have been discussed in this debate, one by the new member from Nova Scotia. He comes from a constituency which is more concerned about it than any other constituency in Canada with one possible exception. I refer to the question having to do with apples. Let me take you back to the discussions which took place while this legislation was going through the house. What was the statement that was made at that time? The statement was that if you had the 10 per cent preference in the British market for Canadian apples over all other apples you would get $1 a barrel more for your apples in Nova Scotia. On that occasion the leader of the house rose in his place and pointed his finger at our grand old friend who is now in the other place—Admiral Duff. He said to him, "Are you going to vote against a piece of legislation which promises your people down in Nova Scotia $1 a barrel more for their apples and more for their fish?" I do not know what our friend said under his breath, but what he said in the house as printed in *Hansard* was, "It won't mean a cent to us." And when we look back at it now we wonder who was right, the man who said that by following a policy of that kind you would get $1 a barrel more for your apples or the man who said that you would not get a cent as a result of that policy. In other words, knowing him as I do know him, I would conclude that the admiral thought much farther ahead than that, and agreed that we would lose a great deal by it. Well, what did happen?

Mr. Fulton: The war came.

Mr. Gardiner: My hon. friend says, "The war came." Well, a lot of things happened before the war came. As a matter of fact what happened over in Britain was that because of the higher price which they could obtain for apples by having the 10 per cent duty on them they planted more trees than there are in British Columbia and Nova Scotia put together. When you go to Britain now you can get apples off these trees. These trees started to produce in the middle of the war, and they are producing now. When I was over there the last time I do not recall sitting down to a single table where I could not get applesauce.

Some hon. Members: Oh, oh.

Mr. Gardiner: Not a spoonful of that, Mr. Speaker, came from the Annapolis valley or the Okanagan valley.

Mr. Ferguson: It came from European countries.

Mr. Gardiner: The greater part of it came from trees which were planted in Britain itself, and these apples are grown there because of the line of policy which was followed back in the years of which I speak.

I wanted to say that much with regard to the policy itself in order to suggest to my hon. friends that it is not just as simple a thing

as some people think. When we start to talk not only to European countries but to Britain about the benefits of trade they point out to us very readily that the old plans which they had followed for many years have been done away with as a result of some things which more or less had been forced upon them in the thirties, and which have continued ever since in spite of anything this government could do.

In reading the speech which was delivered the other day by the leader of the C.C.F. party (Mr. Coldwell) in support of his amendment, I was surprised to find this in it, as reported at page 93 of *Hansard*:

> Before the war Canada was in a happy position. We were able to sell commodities in the British market and elsewhere and to receive payment in funds that we could use in order to purchase goods in the United States or anywhere else. As we all know, the liquidation of British overseas investments during the war, and the impoverishment of other one-time customers of our country, have made it impossible for us to continue trading on this basis . . .

I have sat in this house now, Mr. Speaker, along with the leader of the C.C.F. party, for fourteen sessions, I think, and I have not listened to him in a single session without hearing him telling us about the terrible conditions we had in Canada in the thirties just before the war, and appealing to the people of this country to support the C.C.F. party and socialism in order to avoid getting back into the condition that we had in the thirties. In this speech he told us what fine conditions we had prior to the war, what a very favourable position we had. My hon. friends shake their heads. Apparently they do not fully understand the English language, and I shall read it to them again. Here is what he said:

> Before the war Canada was in a happy position. We were able to sell commodities in the British market and elsewhere and to receive payment in funds that we could use in order to purchase goods in the United States or anywhere else.

Mr. Thatcher: He was speaking about exchange.

Mr. Gardiner: We were able to get funds for the few commodities that we could sell, but we were able to sell only a fraction of what we were able to produce in surplus at that time; therefore we were all suffering because of the conditions then existing. It was not because of exchange. When you have an exchange that is favourable you can sell, somewhere in the world at some favourable price, all the commodities that you can produce; but when you cannot sell the commodities that you produce at a price which will make production possible, or the cost of production possible, then you have not favourable exchange conditions, no matter what you might think about it.

This matter of exchange is sometimes taken a little too seriously. Dollars are only a medium of exchange, and should only be utilized as a medium of exchange. When they are utilized as a medium of exchange, and your conditions are as good as they were described here, then you can sell all the commodities that you produce for the commodities you desire to get from other countries.

I wanted to say that in order to call attention to the fact that conditions back before the war were not good. We did not have the kind of markets which we had hoped to have. We were not in as good a position as we had been in during the years prior to the doing away with the conditions of a free market in Great Britain, and we were all suffering as a result of it. But in spite of that fact, because we had in power a party which believes in trade—and, I might say, up until very recently the only party in the House of Commons, the only national party in this country, that believed in trade as a means of bringing about prosperity—we did increase our trade in the late thirties.

Some hon. Members: Oh, oh.

Mr. Gardiner: Well, I suppose in order to convince my hon. friends I shall have to read them something from their leaders at the time. But I do not need to read it; I quoted it a few moments ago. One leader said in the house in 1935, "No free markets in the world; no markets in the world"; and the other leader gets up in the house and says that he agrees with him that that was the wisest thing he ever said in the House of Commons—that there are not any markets in the world.

Mr. Rowe: Free.

Mr. Gardiner: He said both. He said both free and otherwise.

Mr. Rowe: You are taking advantage of it.

Mr. Gardiner: We came into office in 1935, just after those two speeches were made. And what happened?

Mr. Rowe: Lost them all.

Mr. Gardiner: We increased by 50 per cent the trade of this country in the four years preceding the war. Not only did we increase it by 50 per cent, but we cut down unemployment greatly by the fact that we did bring about increased trade.

And now, as we look back over it, what do we find? We find, I say, that no country has prosperity without trade. This country was able greatly to increase its trade during the war—not in a way which was altogether helpful; nevertheless we did increase our trade, and from the economic point of view it was most helpful.

I should like to point out what happened in the period about which I have been speaking. During the war our exports rose from $929 million to $3,449 million. Our imports rose from $751 million to $1,760 million; and our trade from $1,675 million to $4,200 million.

An hon. Member: War materials.

Mr. Gardiner: What I wish to say about that, in reply to the hon. member over here who interrupted—yes, it was war materials; yes, it was farm products, increased by some 40 per cent in quantity over what they had been previously. Those war materials, those agricultural products brought a sufficient amount of wealth to this country, in the form of dollars, to permit of our being able to buy many of the things which in the years preceding the war we had not been able to buy at all—and to buy them even at increased cost.

So anxious were we to buy, and so able were we to buy, that we had to have restrictions placed upon the importation of goods into this country. We had to have restrictions placed upon what men could buy, in order that we could ship out quantities of these materials which were so necessary for the prosecution of the war.

An hon. Member: We were giving it away.

Mr. Gardiner: Let us see what happened.

Mr. Smith (Calgary West): You did not get rid of all your apple sauce, did you?

Mr. Gardiner: I have pointed out that we improved our trade position under a Liberal government before the war, and that we improved our trade position under a Liberal government during the war. What about the condition since the war?

Mr. Ferguson: All due to the war.

Mr. Gardiner: My hon. friend says it is all due to the war. Our trade has leveled out in peace.

An hon. Member: You started it.

Mr. Gardiner: We did not start the war. Liberalism was brought into the world for the purpose of making war impossible. And if liberalism were established in every country of the world there would not be any war. Why would there not be? Liberalism exists for the purpose of encouraging greater and greater production of the necessities of life, and freer and freer exchange.

I say that if people could get all the food they require, all the clothing they require, and all the shelter they require without fighting for it, there would not be any war in the world. But when you find policies such as those brought into effect in 1932, the world over, when leaders of almost every nation in the world started to shout that they must provide themselves with all the necessities of life, within their own boundaries—then, of course, in those conditions, you get war. Of course you get war under a policy of national self-sufficiency. That is the antithesis of liberalism.

When this country found itself with a Liberal government in power at the beginning of the last war, we immediately went to the country. We asked this question: "Do you want a government which does not believe in war to direct its activities during war?" I remember my hon. friends sitting across the floor of the house saying, "You have a leader who has been a man of peace. He has been known as a man of peace. A man of peace cannot run a war". I was sitting back here, in a seat behind the one in which I now sit, and to my right. I rose on that occasion and said something that I shall repeat today: "Mr. Speaker, in a country like this, where we all believe in peace, the kind of leader we require in wartime, in order to lead our people as they ought to be led, is a leader who does not believe in war. And the one party in which you can get a man of that type is the Liberal party, and that man is the leader of the Liberal party".

I do not go as far, however, as some of our friends who sit on the other side of the house, in suggesting that even if war had been forced upon us we should not fight at all. Our leader said that we should get out and fight it.

Then, when the war was over, what did they do? They said, "You have had the best wartime leader this country has ever had." So, under a man who could be the best peacetime leader and the best wartime leader, things were prosperous in the country as a result of his activities.

Since the war was over, what has happened? Our trade has levelled out in peace. Our exports in 1947 were valued at $2·8 billion, or three times as much as they were in 1939. Our imports in 1947 were $2·6 billion, or a little more than three times what they were in 1939. Our total trade in 1947 was $5·4 billion, or $1·2 billion higher than it was in the middle of the war when we had all these wartime products about which the hon. member has spoken.

Mr. Ferguson: To what extent were increased prices responsible for that?

Mr. Gardiner: Increased prices would be responsible for some of it. But I think the people of this country learned back in 1930 that it was better to have a government that

could keep prices up than to have one that put them down.

The other night the hon. member for Souris (Mr. Ross) said that in the last two and a quarter years, since the wheat agreement has been signed with Great Britain, the farmers had lost $2 billion. He said that we had lost about $540 million on wheat sold to the British government. Then he went on to argue that, because of wheat prices being low, the prices of other farm commodities were low, too; and that because we had lost $540 million on wheat we had lost $2 billion on all farm products in Canada.

Mr. Ross (Souris): Since 1942.

Mr. Gardiner: My hon. friend says it is true.

Mr. Ross (Souris): Since 1942.

Mr. Gardiner: My hon. friend has said it is true.

Mr. Rowe: No, he did not; he said, "Since 1942."

Mr. Gardiner: We did not have a wheat agreement in 1942.

Mr. Rowe: He said 1942.

Mr. Gardiner: Our wheat agreement was made in 1946.

Mr. Ross (Souris): I do not think the minister should put words in my mouth. I said, "Since 1942." This government took over the entire control of wheat in Canada in 1943.

Mr. Deputy Speaker: I must inform the minister that his time has expired.

Some hon. Members: Go ahead.

Mr. Rowe: The minister was sticking closer to the facts before his time was up.

Mr. Gardiner: I stick close to the facts all the time. There is nothing harder for a Tory to take than good old Liberal facts. Let us take a look at these agricultural figures. It does not make any difference whether we take 1942, 1946 or any other year, they are better now than they ever were before. In 1926-29 under a Liberal government—

An hon. Member: Away back there?

Mr. Gardiner: I will get up to the present soon enough for some people. In 1926-29 the average gross income of farmers was $970·5 million. That was the highest average we had ever had up to that time.

Mr. Ross (Souris): Is that the gross?

Mr. Gardiner: Yes. That was the highest average we ever had until we got a Liberal government back in again. In 1931-35 the average was $450 million.

An hon. Member: Shame.

Mr. Gardiner: In 1931-35 it was less than half the $970 million; it was about $450 million. In 1936-40 it was up 50 per cent on an annual average, when it reached $675 million, from the average level in the preceding five years.

Mr. Zaplitny: Is it not a fact that in 1937 under the Liberal administration there were approximately 1,000,000 people on relief?

Mr. Gardiner: I have not the exact figures for 1937 but I will call the attention of my hon. friend to the fact that we had been in power only for one year.

An hon. Member: Two years.

Mr. Gardiner: We came in in October, 1935 and of course we had not got things back in quite as good shape in fourteen months as we were able to do a little later. But we did get unemployment down. In 1941-45 the average annual gross cash farm income was $1,400 million. My hon. friends will say that that was during the war, but since the war, in 1946-48, the average was $2,270 million. In other words, back in 1942 it was $1,400 million and in 1946-48 it averaged $2,270 million. In 1948 it is $2,835 million, twice what it was in 1942. Is my hon. friend the member for Souris going to say that by increasing the gross returns from farm products from $1,400 million to $2,800 million the farmer has lost by that process?

Mr. Ross (Souris): Yes.

Mr. Gardiner: He has been making more money than he ever made before. Let us look at the net income. The net income rose from a low of $387 million in 1938 to a high of $1,226 million in 1944 during the war and $1,742 million in 1948. Five hundred million of that was due to the fact that there have been increases in farm returns, and a greater part of the $500 million is due to the fact that we had the British-Canadian wheat agreements and made a twenty-cent payment on crops during that year which went into the pockets of many farmers at a time when they needed it more than at any other time. The remainder went into the pockets of farmers across Canada.

I do not think a policy of that kind is bad for the farmer. There is one other thing I I want to say. It is with reference to a statement made last night by the leader of the opposition (Mr. Drew). The leader of the opposition called attention to certain figures in an effort to prove that this government is centralizing control.

An hon. Member: He did prove it.

Mr. Gardiner: My friend says "he did prove it". In that regard may I call this to your attention. I have sat here for four

weeks. I rose to my feet on one previous occasion but for the remainder of the time I have been listening. In all the listening that I have been able to do I have not heard a single member of the Progressive Conservative party, and more particularly the leader of the opposition, get up on the floor of this house and quote one single Conservative in the whole history of the Dominion of Canada who ever favoured provincial rights.

Not only have they not been able to quote any member of the Conservative party who has favoured provincial rights, they have been continuously quoting leaders of the Liberal party who have favoured provincial rights. When anyone on this side of the house wanted to quote anyone who was against provincial rights he had to quote one of the leaders of the Conservative party. As a matter of fact, the leader of the opposition has not even been able to quote himself in the past.

Mr. Casselman: Contentious matters by courtesy of overtime.

Mr. Gardiner: We have given the same courtesy to everyone over there. I am taking full advantage of the courtesy, it is true.

Mr. Casselman: Time.

Some hon. Members: Order.

Mr. Gardiner: Reference was made by the leader of the opposition to the agricultural legislation that is before the house. I am not going to discuss that now because I would be out of order just as the leader of the opposition was out of order in discussing it, since it is a matter already before the house. When that is being dealt with I am going to read to the house the act governing natural products marketing which the leader of the opposition passed when he was in Toronto. Every provision that we have in our act he had in the act that he passed there.

The other afternoon the leader of the opposition went on to state that in 1939 the dominion government collected $468 million in taxes, the provincial governments collected $172 million, and the municipal governments $274 million. He then went on to say:

> The dominion government collected 51·2 per cent of all taxes, provincial governments collected 18·8 per cent, and municipal governments collected 30 per cent.

Then he went on to say that that condition had changed, that the federal government is now collecting the taxes. I recall to the memory of the house the fact that when the leader of the opposition was speaking during the first part of this debate he called attention to a statement that had been made by the former Prime Minister, the hon. member for Glengarry (Mr. Mackenzie King), who had once said that the authority who spends the money ought to collect it.

An hon. Member: Correct.

Mr. Gardiner: I think that is right. The leader of the opposition went on to state that the dominion government collected $2,452 million; the provincial governments, $398 million; and the municipal governments, $346 million. Then he goes on to say that the dominion government collected 76·7 per cent of the taxes, the provincial governments collected 12·5 per cent of the taxes, and the municipal governments collected 10·8 per cent of the taxes. If he had just left it at that we might have been misled by it, but he had not yet made his argument, Mr. Speaker. The argument he wanted to make, the argument he wanted to ring in, was that the Minister of Justice (Mr. Garson) had made a statement the other day which, under the circumstances that he was quoting, was a criticism of the Minister of Finance of that day. He said that, in spite of all that had been said, instead of a lesser sum $240 million is being paid by the federal government to the provincial governments; but if you take the $240 million you will find that it is 10 per cent of all the money he was talking about that had been collected by the federal treasury. If you add the 10 per cent to the 12·5 per cent it brings you up to over 20 per cent that is being expended by the provinces. In other words, instead of collecting 18 per cent and spending 18 per cent of all the money collected they were getting over 20 per cent of all the money collected, $240 million of it being handed to them by the federal authorities.

I do not understand the argument of my hon. friend when he says that is centralizing control. That is not centralizing control.

Mr. Rowe: Centralizing taxation.

Mr. Gardiner: That is centralizing criticism. When my hon. friend stands up in the house and says that the income tax is too high—

An hon. Member: Isn't it?

Mr. Gardiner: Out in my province I know why it is too high. I used to be provincial treasurer of that province. When I was provincial treasurer we had an income tax and we collected it. The federal government had an income tax and our rate was the same as theirs. Therefore we collected the same amount of money through our income tax as they collected through theirs. What I want to say to my C.C.F. friends when they talk about the income tax being too high is that the quickest way for us to reduce what we collect is to turn back to Saskatchewan the responsibility for collecting their own income

tax, and then we will only be collecting half as much. That is where a large part of the money came from with which to pay Saskatchewan's share of the $240 million that is being talked about.

Under the system that is being followed now it is true that we centralize criticism upon the federal government, but when the leader of the opposition (Mr. Drew) gets up and says that is centralizing government in Canada, I say to him that what we are actually doing is allowing the provincial governments to spend enough money to make themselves popular and keep themselves in power.

Some hon. Members: Hear, hear.

Mr. Drew: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Drew: Mr. Speaker, I feel sure that the minister would wish to be corrected in an error he has made. What I pointed out was that if all the provinces had been taking payment they would be receiving $240 million; but neither Ontario nor Quebec, which won very satisfactory elections last year, is drawing any money from the dominion government.

Mr. Gardiner: There was not any way of my finding that out from what was said yesterday, because it is not in here. Whether he said all the provinces or whether he said seven of the provinces—

Mr. Abbott: He said seven.

Mr. Gardiner: —what he does say is that $240 million was paid out of money collected by the federal government. On that basis every argument I have used is sound, no matter whether it went to seven or to nine provinces. That is all I want to say with regard to my friends of the official opposition.

There is one further statement to which I want to call attention. It was made by the leader of the C.C.F. party. I repeat that I have been in this house for fourteen sessions, and I have heard this statement made so often that I think it should be corrected. It is to be found at page 90 of *Hansard*. The leader of the C.C.F. party says:

> I have lived in western Canada long enough to remember the vicious campaign which was carried on in my province in 1929, 1930 and 1935, largely in the interests of my hon. friends of the Conservative party who sit to my immediate right. I remember how people were persuaded to go into post offices to ask for bilingual money order applications, envelopes and so on, to send down to Ottawa, protesting against the printing being in both French and English.

I call attention to the fact that reference was made to the part taken in that campaign by the Conservative party of that day. What I want to say is that I was the individual who was on the other end of the campaign, and I think I know as well as anyone in the country who put the Anderson government in power. When the election was all over we had twenty-eight members; the Conservative party had twenty-four members; the Progressives had six members, and the independents had five members. At that time there was not any C.C.F. party.

An hon. Member: Thank God.

Mr. Gardiner: There was a Progressive party, in which the present leader of the C.C.F. party took a very prominent part. He was the leader of the labour group in that party, and there was a farm leader as well. It is true that he did not contest the constituency in that election, but I know better than anyone else that the morning after the election was over, one of the leaders of the Progressive party came to my office and asked me if I would accept their support in order to keep us in office, and we only needed their support. I said to them on that occasion: "We have been in power for twenty-four years. It might do us good to be out a little while. I have got tired of traveling up and down the province telling people who never have had any other kind of government"—because we had always been in power in Saskatchewan—"how good we are without anybody to compare us with". They said: "We think it would be a good thing for Saskatchewan anyway to keep the Liberal government in power rather than have a Conservative government. Have you any objection to our talking to the present leader of the C.C.F. party"? He was then the leader of the other group. I said: "No, not as far as I am concerned, but do not speak on my behalf; speak on your own". He came back inside of half an hour and said: "There is no use talking to him because he is supporting Anderson". I do not think a gentleman who has gone through that experience should get up in this house and point to the Conservatives and say that they put in the party which conducted the Ku Klux Klan campaign. I am not so sure he did not put them in, but in any case I know who went out as the result of the understanding. At that time we fought battles on behalf of minorities. The Liberal party has always fought the battles of minorities. I venture to say there is not another party in Canada that can maintain that all the way through the picture they have stood for the rights of minorities. The Liberal party is the party of provincial rights. The Liberal party is the party of minority rights. I think my hon. friend missed my remark a while ago. He cannot even quote himself, from anything said previous to a few months ago, in support of provincial rights.

Mr. Graydon: That is not what you said before.

Mr. Gardiner: Well, I would not include this last month, because at every opportunity he has got up and shouted provincial rights. I am trying to tell you that your party never stood for provincial rights. The Liberal party is still the provincial rights party; and if the people of Canada repeat the mistake they made on two previous occasions and listen to that kind of appeal they will get the same results they got before, and at the end of five years we will come back again with a larger majority than ever. But the people of Canada are not going to do that. They made that mistake twice, and that is enough; and whether the election is held on the 31st day of June or at any other time it will be held, I am sure this government will come back to power.

Mr. Thatcher: I wonder if the minister would permit a question.

Some hon. Members: No.

Mr. Thatcher: This is not meant to be facetious, but in view of the statement the minister made in the house two or three weeks ago, that when the throne speech debate came along he would make a statement to the house in regard to what he accomplished in Great Britain, I wonder if he could not say something today about the future of our markets for agricultural products, in view of these Polish and Danish agreements.

Mr. Gardiner: I could still speak on the main motion. I do not know that I will, but there will be a discussion of that question as we go along. I mentioned it today. I pointed out to this house that because of the 1932 agreement the Polish and Danish agreements still stand. Those people were given quotas under that agreement, and as soon as they can fill those quotas Britain will accept the food. We are in our present difficult position because of the 1932 agreement, which provided for quotas. Our bacon quota, as indicated at that time, was 160,000,000 pounds, and that is what is in our agreement now. Our quota at that time was about 60,000,000 pounds of cheese, and it is 50,000,000 pounds in the agreement today. If we had permitted such a quota to be written in at that time we would have had a market for about six thousand head of cattle, but we do not have cattle in the agreement at the present time. We are sending our cattle to the United States; and incidentally I point out to some of my hon. friends that we are not getting as much for our cattle now as we were before we opened that market.

[Mr. Gardiner.]

Mr. C. C. Miller (Portage la Prairie): Mr. Speaker, it is always refreshing to listen to a speech by the right hon. Minister of Agriculture (Mr. Gardiner). That is so particularly this session, because the two occasions on which the right hon. gentleman has made speeches have been the only occasions on which hon. members opposite have had a chance to do any drum-beating.

When the right hon. gentleman started reading from some of the statutes enacted in previous parliaments by previous governments I wondered what it was all leading up to. It seemed to me he was trying to lay the foundation for charging sins of commission or omission to some other government in order to explain away the failure of the present administration to accomplish what they had always promised they would do. He tells us that they inherited a system of quotas which to some extent handicapped them in their negotiations. Perhaps that is so. The minister tried also to suggest to this house that there was no difference between a quota arrangement and an agreement. I suggest to you, Mr. Speaker, and to the members of this house that the difference between these two arrangements is that under a quota system it is a matter of voluntary deliveries, while under an agreement of necessity there must be compulsory deliveries on the part of the farmers.

Not only did the minister do a bit of drum-beating; he also indicated that possibly in the not too distant future the leader of the opposition (Mr. Drew) might be called upon to cross the floor and become head of the government of this country, as happened in 1930. We all recall that in its first session the Bennett administration was condemned for all the ills which were created at that time by a world-wide financial collapse, which took place in 1929 and 1930 while the Liberal administration was in power. Apparently the government at that time was glad to let the Conservative party take over, pick up the scattered threads and shattered business and try to get the country back into shape before the Liberals again were fortunate enough to take office and, through the recuperative measures taken by the Bennett administration, enjoy some of the prosperity about which the minister has been speaking. That is not the point, however, Mr. Speaker. What alarms me is that by inference the minister today has hinted to this house and to the country that we are in the same relative position as in those disastrous years of 1929 and 1930; and I presume he is warning this house and the country that before too long this

party again may be called to come to the rescue of Canada and take up the burden of office.

Before going further I should like to humbly join with other hon. members who have congratulated the mover and seconder of the address in reply to the speech from the throne. I always watch with a great deal of interest, as I am sure all hon. members do, the first efforts of an hon. member who moves or seconds the address. In this instance I believe the hon. member who seconded the address was making his maiden effort in the house and, as I have done on previous occasions, I want particularly to congratulate him. I should like to join also in the courtesies that have been extended to the new members, and to welcome them to their seats in this house. At the same time I want to congratulate the Prime Minister (Mr. St. Laurent) and the leader of the opposition upon their elevation to places not only of great honour but also of great responsibility in connection with the affairs of this country.

In the course of my remarks I intend to refer to several items, not only one. The first item to which I want to refer is the matter of the Trans-Canada highway. I suggest there is nothing much more urgent to this country and its people than the construction of such a highway; and I am fearful lest the immediate commencement of that project may get bogged down in dealings between provinces and municipalities as to who shall pay the cost. It seems to me that for the purpose of defence alone a highway from one end of this country to the other should be a matter of great concern to this government, particularly to the Department of National Defence. I know there are certain negotiations taking place between the governments of the various provinces and this government at the present moment. It is alarming, however, to see press reports to the effect that no assurance has been given by this government to any of the provinces that the dominion government is seized with the importance of proceeding with that construction immediately.

The Minister of Mines and Resources (Mr. MacKinnon) has suggested that probably the dominion government would be willing to pay up to 50 per cent of the cost of the highway. We have not time to haggle about who is going to pay for this road. It has to be built, if only for the sake of the defence of this country, as I said a moment ago. Today a vast amount of army equipment is mechanized and must move across this country by roads. I suggest to the government that, when negotiations take place relative to the Trans-Canada highway, they should not be negotiations between this government and the provinces, but that this government should first establish a highways commission. The highways commission, backed by this government, would then pick the route for the Trans-Canada highway.

Mr. Martin: What about consultation with the provinces?

Mr. Miller: You could have consultation with the provinces. I would say to the Minister of National Health and Welfare (Mr. Martin) that if the government proceed with the negotiations with the provinces in the manner they are now doing, instead of through a highways commission as I suggest, they will find that the province of Manitoba, for instance, may want the road to take a northern route, while the province of Saskatchewan may want a southern route. If one province wants the road in the north and another province wants it in the south, you will have a fine system of highways.

As hon. members know, whenever the government undertakes construction of a road, all the municipalities and small districts want the road to go through their part of the country. The hon. Minister of Justice (Mr. Garson) will recall only too well the difficulty into which his Manitoba government got recently in connection with a highway coming up from the United States border to the city of Winnipeg. There was a delay of at least a year because the factions on each side of the Red river pleaded with the government to route the new highway through their respective territories. The same thing is taking place in every province in western Canada today.

Twenty-two years ago, when I was the secretary of the Portage la Prairie board of trade, plans were made to build a road from north to south through central Manitoba. It has not been built yet. I say that is what will happen to the Trans-Canada highway. Every municipality wants the road to go through its part of the country; every little town wants it to go through its thoroughfare. The city of Portage la Prairie is just as bad as the others, because we want the Trans-Canada highway to go through the city of Portage la Prairie. If this situation prevails, it will take years for the Trans-Canada highway to cross Canada. I maintain it is desperately important that construction of that highway commence immediately. The only way in which that can be accomplished is for the dominion government to establish a highways commission to choose a route for the highway.

An hon. Member: Is that not centralization and bureaucracy?

Mr. Rowe: If it is, you ought to be able to do it.

Mr. Miller: There is a right way and a wrong way of doing everything. There is a right way and a wrong way of doing what I am suggesting. You can do it by bureaucracy if you like, but the important thing at the moment is that this government make up its mind to do something.

There are other reasons why the Trans-Canada highway is important. I want to emphasize one of those reasons, and that is that there is no excuse for making Canadians who wish to cross Canada from east to west go through the United States in order to do so. As Canadians we are entitled to a Canadian road, and I maintain it is the duty of this government to see that we have it. My final reason for requesting the immediate construction of the Trans-Canada highway is that it would be of great help to the tourist industry, which brings thousands of people and thousands of United States dollars to this country.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at seven-thirty o'clock.

Mr. Miller: Mr. Speaker, when the house took recess at six o'clock I had just finished my remarks with respect to the Trans-Canada highway. It is my hope and my wish that the government will proceed with their plans to complete that highway as expeditiously as I finished my remarks.

I now wish to say something about education. I am not unmindful of the fact that under section 93 of the British North America Act education comes exclusively within the jurisdiction of the provincial legislatures, but I wish to point out to the government a situation with has arisen in many of the school districts of this country and particularly in western Canada. Many of the school districts now find themselves faced with the problem of old-fashioned, out-of-date, unhealthy, unsafe schools at a time when not only are materials hard to get to reconstruct the schools but also the financial ability to do so is scarcely within the limits of the municipalities or the towns or cities. This was brought forcibly to my attention recently when an old school in my home city of Portage la Prairie, which was constructed in the early eighties, was condemned by the architects of the provincial government and by architects brought in by the school board to examine the edifice. It is true that it is an old school, but the problem which faces the school district of Portage la Prairie is to construct a new school, and the minimum figures given to construct a new school are in the neighbourhood of $250,000, which is a lot of money for any small city or town to obtain. It is all right to say that that is exclusively within the jurisdiction of the municipality or the province so far as the British North America Act is concerned, but the fact remains that the children who live in Portage la Prairie do need, as Canadians, a healthy and safe school. It is a necessity to which both the city and the school district must measure up. They must construct a new school at a cost of $250,000. Our city will do that, but at the same time it is going to put on real estate a burden of taxation which it is not fair to ask real estate to assume. I think the whole thing is out of date. The dominion government is quite prepared to make, and does make, grants in aid of health. I would suggest to the government that there is nothing more conducive to good health in young Canadians than a modern, healthy, proper school. I urge the government to give consideration to assisting municipalities, towns and cities throughout this country in the construction of modern up-to-date schools to replace many of the present edifices which are far from being either healthy or safe.

I wish to say a word on behalf of the old age pensioners. Almost every hon. member who rises in his place in this house says something about old age pensions. I would not feel that I had done my duty in this respect, even at the danger of repeating what other hon. members have already said, if I did not make a plea on behalf of the old age pensioners who reside in my constituency. It is common knowledge to all members of the government, as well as to all other hon. members, that these old age pensioners are in destitute circumstances and need help. If that premise is correct—and it is correct; we all know it is correct—then I suggest, Mr. Speaker, that the federal government should take steps to see that finances are so arranged that these old age pensioners would have an increase in the amount of money that is allotted to them. The initiative should come from the federal government.

May I make a plea on behalf of the crippled folks, people who, by reason of their own infirmities, are unable to make their own living. I am not raising these points just because I, in common with other hon. members, have received many letters urging me to speak on their behalf in this house. The matter has been on my mind for a long time because in my own immediate district many sad cases have brought it forcibly to my mind. These people are our forgotten citizens. They are crippled. Through no fault

of their own they are unable to earn their living, and in the great scheme of social legislation which we have in this country they are entirely forgotten. I submit that the government, in fairness to itself and to these people, should give consideration to the claims of the infirm who are not entitled to family allowances and who are not old enough to get old age pensions, but nevertheless are in dire need and unable to look after themselves.

There is the perennial question of these nuisance taxes about which private members always speak in the debate on the speech from the throne. I urge that the Minister of Finance (Mr. Abbott), before he brings down his budget, give consideration to repealing these nuisance taxes. I am inclined to think that in this election year we shall find many of these nuisance taxes done away with in the budget. If that happens I shall be perfectly happy, because I do not care what is the reason for the abolition of these taxes. What I am looking for is results; and if the taxes on soft drinks, which affect an industry in my own home town, and these other nuisance taxes, are repealed, the government can take all the credit they wish in an election year so long as we get rid of these things, which are distasteful to us.

Much has been said in this debate about the cost of living. There is no hon. member who is not alive to the urgency of this problem. In the towns of my constituency—and there are many small towns and one little city in it—the people do not earn large wages. They find it difficult to make ends meet because of the increased cost of living. Time and time again in the house the Minister of Finance has boasted—and I think the word "boasted" is the correct one—that his high taxation serves the great purpose of keeping down inflation. He has been able to keep the foolish people of this country from spending their money foolishly. In that the Minister of Finance is incorrect. The people of this country do not spend their money foolishly. In the main they are just struggling to make ends meet. They are not creating any surpluses, because of the pressure of the high price of goods which are in short supply. The cost of living is mainly, or at least to a large extent, due to the fact that there is in Canada today terrifically heavy taxation, both direct and indirect. The income tax is one on which we can most easily put our finger, and it is the one which affects most of us. I can recall that when I was younger there was scarcely an election in this country in which those who were in opposition did not accuse those who were in power of taxing excessively, of waste, and so on. In later years it has not been popular to do that. The war came along and in my opinion the people got tired of hearing that. But I say that once again the question of waste and the question of taxation are uppermost in the minds of the people. In the coming election the government must and will face the criticism, at least from His Majesty's loyal opposition, of high taxation, extravagance and waste. Today the people know that that is an issue which is affecting their lives and their livelihood.

The Minister of Justice (Mr. Garson), who is not in his seat just now, will recall that a few years ago the people of Manitoba rose up in holy horror and kicked out of office the government—and it was a Liberal administration—of the Hon. T. C. Norris because they were spending $5 million a year. The Minister of Justice, who was the provincial treasurer of Manitoba before he resigned to come down here and take his seat, budgeted last year for almost $35 million. That is seven to one, and that is about the ratio that prevails here. A few years before the war the dominion government budget was just about one-fifth to one-seventh what it is today. Outside of the municipal governments, one to seven or one to five is pretty well the ratio which prevails today over a few years ago. It is true that a lot of it is due to war expenditures, the high cost of living and so forth; but the fact remains that that is about the ratio of the increase all over this country, and it is becoming a burden which is economically unsound, a burden which if it is not relieved, and taxation reduced to near pre-war levels, will mean a complete collapse of our entire financial and economic system.

I believe that to keep the cost of living down we should in some way encourage production. It is easy to say that, but difficult to tell how it can be done. Nevertheless it is obvious that if we could get lots of goods, automatically the cost of those goods would come down. I believe the government should make much greater efforts than they have heretofore to see that the production of all essential lines of goods and materials in this country is materially increased.

Then comes the question of controls. That has something to do with the cost of living. The government has been trying periodically to get out from under many of the controls. I think it is only fair to say, however, that the present chaotic conditions in Canada, so far as they are domestic, are the responsibility of the government. The government is responsible for that condition.

In view of those chaotic conditions it is perhaps difficult quickly or overnight to abandon all these controls. Certainly it would be, in view of the dangerous state of housing,

and so on, in the country. I repeat that to a large extent the present condition is the fault of the government. In my view it would be most dangerous, if not unwise, at the present time to take off rental controls; I should not like to see that done.

Hon. members of the C.C.F. party have made a great play in the debate in urging that we roll back the prices to the 1946 level. They recommend that with the same abandon that they would recommend that we all get together and sing Roll Out the Barrel. But if we consider what that means, we find ourselves getting into some difficulty.

So far as I am concerned, personally, I would support anything in the house that would be the means of bringing down the cost of living, or of seeing that the people who are suffering from the high cost of living would have some relief. But before supporting any such thing I would want to be at least reasonably sure that the remedy suggested is a sound one.

The C.C.F. have made no effort in the house, either in this or in any other debate during the three years I have been here, to show anything to justify their contention that we should roll back the prices to the 1946 level. What would happen? The very day we rolled back the prices to the 1946 level we would find that merchants, large and small, in this country would have terrific stocks of goods on their shelves. Those stocks would be on hand, right from the manufacturers, through the wholesalers and jobbers and down to the retailers. Surely no government, C.C.F. or any other kind—if there ever was a C.C.F. government in Canada—could say that today we are going to tell a man who has on his shelves goods worth $10,000 that tomorrow those same goods would be worth only $5,000 because we are rolling back the prices to the 1946 level, and since that time the price has gone up twice as high.

If the government took that action, without making compensation to the manufacturers, merchants and others, it would certainly ruin all the small merchants and would likely ruin most of the big ones. If the government did not say, "You have to do it without compensation", and were prepared to give compensation, then I suggest no government this country has ever known could ever finance such a colossal scheme as would be involved in giving compensation to merchants, manufacturers and wholesalers for the goods they might have on their shelves. Until that can be explained to us, I will suggest that the Canadian economy cannot stand the process which is involved in the slogan of rolling back the prices to 1946. It would cost a great many millions of dollars, and certainly much more than our economy could stand.

How could we roll back the prices to the 1946 level when our economy is so tightly tied to that of the United States? Are we going to be able to reduce the standard of living in Canada below that of the United States? I suggest our people would not stand for that for one moment. In fact, they took with only the barest of good will—if one could call it good will—the austerity program already in force in Canada today, without any further differentiation between our standard of living and that of people in the United States.

I say this, too, that if the government were to begin to control prices, or to put price controls on again and make them retroactive, or if they were put on today without being made retroactive, it would kill the initiative to produce, and we would have less goods than we ever had. That was the story when controls were on, of necessity, during the war. It meant that we had less and less goods. And, what is more, we had goods of poorer quality as time went on.

If we rolled back the prices to the 1946 level we would create in this country a wave of blackmarketing which would mean that those whom hon. members to my left, the C.C.F., dislike so much, the people with wealth, could go on the black market and get what they wanted, while those of us who are not so fortunate as to have such a good supply of this world's goods would have to take what we could get.

We would have established a black market, and would have perhaps thousands of additional government officers going around the country trying to enforce unenforceable laws. We would have increased payrolls in the dominion government, and an increased civil service, thus offsetting any advantage which, it is urged, we might have if such a course were followed.

What is more, if we were going to control prices, and roll them back to the 1946 level, I suggest that of necessity we would have to have a most rigid control of wages in this country. And I have not heard many C.C.F.'ers—I believe I did hear one of them one day—I have not heard many socialists say they would be willing to have any control of wages. Their argument is that wages are not high enough. You cannot control the prices of things unless you can control those things which go together to make the price. What would happen in the long run is simply this—

Mr. Gillis: Wages are controlled now, are they not?

Mr. Miller: What would happen in the long run is this, that we would have labour con-

trol. One thing would lead to the other. One control would make it necessary to protect somebody else, and it would lead in an unmistakable and uncontrollable chain to the complete and absolute control of our entire economy by the government of this country —which I maintain and gather is the whole wish and object of the socialist party sitting to our left.

Before taking his seat, perhaps owing to the promptings of hon. members in other parts of the house, the Minister of Agriculture (Mr. Gardiner) waxed—

Mr. Grant: He does not need promptings.

Mr. Miller: No, he does not need much. Just wind him up, and he makes a pretty good speech. But I noticed one thing about his speech which I should like to mention. I must say he was no piker. He used an expression which was not comparable with the five cent speech about which we used to hear so much. He talked about the sum of $240 million, which, he suggested, this government was good enough to turn over to the provinces to make sure that those provincial governments might keep their people happy and enable them to stay in power. I think that is quite an admission from a minister of the crown; and it is only coincidental that most of the governments of the provinces in Canada at that time were of the Liberal persuasion.

Mr. Rowe: They paid only half of it, though.

Mr. Miller: In closing I should like to say a few words about our system of commerce. There are many people nowadays who advocate a change in our commercial system. I am one of those not particularly close to the commercial life of this country; but I believe that under the British system of trading and commerce which has grown up over the centuries we have developed perhaps one of the greatest over-all commercial systems the world has ever seen.

For over a period of many centuries we have developed that system by the process of trial and error. Trading nations and trading concerns of the world have learned, at their own expense, when they have made mistakes and then corrected those mistakes. As I say, from the days of the early queens and kings of England we have developed a sound and solid system of trading and commerce which we should not lightly throw overboard or cast aside, adopting in place of it something which has not been proved at all, which has been advocated by the socialists of this and other countries, something which may in the long run prove to be not nearly as beneficial to the community and particularly to Canadians as a whole as those who so fervently believe in it contend.

The question that we have to decide in this particular debate is one of confidence or lack of confidence in the government. I have no trouble in taking my stand with my leader and intimating to you and to the house that I intend to vote for the amendment moved by my leader.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I regret very much that the Minister of Mines and Resources (Mr. MacKinnon) is not in the house tonight as he is the minister responsible for immigration and I intend to deal with at least one phase of that matter. I told him I was going to speak today and I asked him in fairness to be here. However I see present the Minister of Trade and Commerce (Mr. Howe) and the Prime Minister (Mr. St. Laurent) who may be even more deeply involved in this matter than the Minister of Mines and Resources.

I have had occasion in the past to quarrel with the policy of this government in the matter of immigration, yet I want to say that most of the things to which I objected have been cleared up. But I have another deep and bitter quarrel which arises as a result of recent events whereby there have been allowed to come into Canada men who actively assisted the nazi forces during the war. They did not assist them in the sense that they were conscripted. I know that there were many reasonably innocent people who were conscripted into the nazi forces, who were given the alternative of entering those forces or being shot, but who deserted to our side at the first available opportunity.

The men about whom I am going to speak willingly supported nazism to the detriment of the allied cause. I am referring now to order in council 4233 passed on September 22, 1948.

The first man is Julien Gaudens Labedan, alias Armand Berard, French citizen of French race, aged 35 years, married, interior decorator and cabinet maker, in Canada without status and applying for legal landing. The evidence shows the alien named effected temporary entry to Canada in July, 1946 under the name of Armand Berard, using an ordre de France to facilitate his departure from that country as a political refugee.

I notice the minister has entered the chamber and I welcome his arrival.

Following the arrival of this man in Canada he accepted employment with the firm of N. G. Valiquette Limited, Montreal. He was examined by board of inquiry at Montreal in March, 1947, rejected and ordered to be deported as failing to comply with the provisions of the occupational, passport and contract labour regulations.

I stress the words "rejected and ordered to be deported" because, if newspaper accounts are true, responsible ministers of the crown have attempted to blame their own civil servants for having kept this person in

Canada. I intend to deal with those statements more fully later on. This man is wanted badly by the French government. He was condemned to death and public degradation by a court of that country.

The second man whom I have on my list is:

Georges Benoit Montel, alias Gaston Ringeval, French citizen of French race, aged 49 years, married, medical doctor and surgeon by profession, in Canada without status and applying for legal landing. The evidence shows the alien named effected temporary entry to Canada in September, 1946, as a visitor under the name of Gaston Ringeval, using a passport issued in that name which he claims he obtained in France to facilitate his departure from that country as a political refugee. He was examined by board of inquiry at Montreal on February 12, 1947, rejected and ordered to be deported as failing to comply with the provisions of the continuous journey, occupational and passport regulations. The record indicates that the alien has been attached to the staff of Laval university but that he now has employment available with Sorel hospital.

I would add that this man was accused and found guilty of treason in France. It is extraordinary to know that these men who have been found guilty of treason have found a haven in this country. I know of Germans who for long years fought Hitlerism and nazism and who have been trying to join relatives in this country. But they cannot come here because they are German nationals. Apparently, however, had they been supporters of nazism they would have been welcomed by elements in this government. I know of one Ukrainian woman who cannot come to blood relatives in this country because she suffers from trachoma. This is a disease of the eyes and apparently it is considered to be contagious in Canada, but we still allow those who have the diseased minds of fascists to come and seek refuge in Canada.

The third name on my list is:

Andre Charles Emmanuel Boussat, alias Alfred Bordes, French citizen of French race, aged 45 years, medical doctor and surgeon by profession, in Canada without status and applying for legal landing. The evidence shows the alien named effected temporary entry to Canada in July, 1946, under the name of Alfred Bordes, using a passport issued in that name which he claims he obtained in France to facilitate his departure from that country as a political refugee. He was examined by board of inquiry at Montreal in April, 1947, rejected and ordered to be deported—

I stress those words.

—as failing to comply with the provisions of the continuous journey, occupational and passport regulations. The record indicates he is employed by J. Edde Limited of Montreal, importers of pharmaceutical products.

And now Jean Louis Huc. Apparently he is one of the smaller fry because he is wanted by the French authorities only on charges of interfering with national defence. Some three weeks ago I placed on the order paper a motion for the production of certain papers.

The motion was passed by the house but I still have not received those papers. Perhaps that is not a great loss for I am certain that by the time I do get them they will be so emasculated that they will be of little value.

Mr. St. Laurent: On a point of order, I ask Your Honour to request the hon. member to withdraw the statement he has made that papers ordered to be brought down to this house will be emasculated before they are produced.

Mr. Speaker: I would ask the hon. member to withdraw his statement.

Mr. Stewart (Winnipeg North): In view of the fact that I have not received the papers I withdraw the remark. I shall bear it in mind, however. I hope the Minister of Labour (Mr. Mitchell) is not going to interject.

Mr. Speaker: Do I understand that the hon. member has withdrawn that remark?

Mr. Stewart (Winnipeg North): I said that I withdrew the remark that I made.

An hon. Member: Period.

Mr. Stewart (Winnipeg North): I said it quite clearly. My charge is that apparently the government is allowing known supporters of nazism to enter and stay in Canada. I realize that there are those who will immediately cry out that in saying that I am taking the part of the communists. I refuse to keep quiet because words of mine may be deliberately misconstrued as those of a communist sympathizer. Anyone who attempts to place such a misconstruction on them is either a knave or a fool, and in all probability both. I, together with other members of my party, have opposed communists long before some members of this house even knew that they existed. The pity is that communists use the same words as do the staunchest believers in democracy, but they do so for their own ends. The pity of it is that communists fasten on to obvious wrongs and social injustices, not with a determination to correct those wrongs, but for their own purposes.

Perhaps I may be permitted to quote from a speech made by Mr. Justice Douglas of the United States Supreme Court last Friday in Los Angeles. Part of what he said is as follows:

We must restore integrity to our own political tactics by putting an end to the shameful practice of branding as a communist everyone who espouses a liberal reform or promotes a program for the underprivileged.

Of course, it may be said that the sources of my information are communist-inspired. I shall give them to the house. The sources of my information are newspaper reports,

and certain discussions I have had with those who wrote those reports. The newspapers concerned are the Montreal *Herald*—I doubt if it is under the domination of communists—the Montreal *Standard* and the Vancouver *Sun*. These are all good examples of capitalist journals in this country. I have another authority, and an even better one. My authority is Colonel Romans Petit, who is president of the national federation of maquis. A word about the maquis might be in order. The maquis are men who gave back to France her soul during the war. They are the men who gave back to France her honour after the betrayal of Vichy. They are the men who died, not only to free France from nazi persecution, but also to enable us to live in Canada as free men and women. The men of the maquis are heroes whose names will be remembered wherever there are free men. Colonel Romans Petit has the distinction and the honour not only of being a member of the Distinguished Service Order but also of being president of the national federation of maquis, a commander of the legion of honour, and a companion of the liberation. He wrote to us in response to a communication which was sent to him by my leader, the member for Rosetown-Biggar (Mr. Coldwell), after we had discussed the matter. We asked for information about Montel, Boussat, Huc and Labedan. This is the answer which we received; it has been translated. It is sent from Paris, and the date is February 16, 1949. It reads:

Replying to your letter of the 11th instant which I did not receive until today, owing to a mistake in the address, I hasten to advise you that I immediately got in touch with various persons capable of supplying you with the information you seek. With more particular reference to Doctor Montel, who was chief of the militia in Haute Savoie. I am asking one of my friends, well placed by reason of his position, to provide you with all exact documents, to communicate to you directly the main points of the charges laid against Montel.

I will add that personally in my capacity as leader of the maquis in Haute Savoie I suffered from the anti-national activity of this Frenchman, and we are happy to know that there are to be found in that great friendly country that is Canada men such as you to defend French prestige, and consequently the laws of honour.

The Bernonvilles and fellow travellers hampered all our efforts in our struggle to save the country, and for that reason we deem them unworthy of your hospitality.

Then there are these brief dossiers:

Jules Labedan, born 1/6/1913 at Gimont (Gers), domiciled at St. Gaudens, was sentenced to death at Toulouse 10/2/45 for treason.

André Boussat, born 20/10/1906 at Belves (Lot et Garonne), domiciled at Villeneuve sur Lot (Physician), was the subject of a warrant for arrest issued the 12/2/45 by the Court of Justice of Agen. He was member of militia No. G 44 2650.

Jean Louis Huc, commissioner of woods and forests, militiaman, was the subject of a warrant for arrest issued in Toulouse.

Then I found today that another fish had come into the net. I asked the Minister of Mines and Resources (Mr. MacKinnon) if he knew whether or not Michel Lucien Seigneur was in Canada, and the answer was: "Yes, he is here." The information I have on Seigneur is as follows:

Michel Lucien Seigneur, born 22/1/1907 in the Somme, physician, ex-inspector of the Waffen SS at Limoges—

That is, the blackshirts.

—deputy departmental chief of the militia at Poitiers, sentenced to death by the court of justice of Poitiers.

Then Colonel Romans Petit goes on:

We know that in Canada a certain opinion looks upon all resisters as communists, whereas I set store by my personal documentation; since I was in command of three very important departments, l'Ain, le Haut Jura and la Haute Savoie, there were only 15 per cent in our ranks. Personally, I was the object of very sharp attacks on the part of communists, after the liberation. It suffices to state that our testimony is influenced by no political consideration. We take our stand not merely from the viewpoint of French interests but also from the viewpoint of humanity. We cannot forget that the militiamen resorted to inhuman means towards all our people who fell into their hands.

We believe that you are in possession of a few depositions with reference to Bernonville. On behalf of all our resister comrades, I thank you, Mr. Member, and assure you of our deep consideration.

That is signed by Colonel Romans Petit, D.S.O., president of the national federation of maquis, commander of the legion of honour, companion of the liberation. There is one part which I think I might repeat and paraphrase. It is:

We take our stand not merely from the viewpoint of Canadian interests, but also from the viewpoint of humanity.

I repeat that I oppose with equal vehemence the entry of fascists and communists into Canada, but since only fascist collaborators appear to be coming here I shall devote myself to them. Yesterday I listened with some interest to the address of the leader of the official opposition (Mr. Drew). He spent much of his time dealing with communism, and the menace and the perils of communism. I had hoped that he might have had time to spare a word about the menace and perils of fascism, but apparently not. I assume that he is aware of what has happened. I know that the member for Lake Centre (Mr. Diefenbaker) has taken an interest in this matter, and I would have thought that perhaps he had discussed it with his chief. I do not know whether he has or not, but in any event I know that the leader of the opposition has been questioned in press conferences as to his attitude concerning de Bernonville, and perhaps others, and his answer, to the best of my belief, has been "No comment". "No comment" is not good enough comment

from one who is the head of a party which has pretensions to being a national party.

I ask the hon. gentleman to make his stand amply clear before this debate is finished. I said earlier that avowed fascists were entering Canada. There was a case which came to my attention, that of one Karol Murin, who apparently came here last September. Recently he has been in Winnipeg, and while there he permitted himself to be interviewed by reporters. He bragged of the fact that he had been the secretary of Dr. Tiso. I shall remind the house who Dr. Tiso was. Dr. Tiso was the puppet dictator appointed by Hitler in Czechoslovakia who was eventually hanged for his crimes by the Benes government.

This man told the reporters that under Hitler Slovakia had had six years of independence from 1939 to 1945. I think that is a man whom the minister could well afford to investigate a little further. Now on February 8, 1949, I asked a question of the minister as to where Count Jacques de Bernonville was. He told me, and I asked a supplementary question which was:

> Is the minister aware that this man is a traitor, and that he betrayed allied soldiers to the gestapo?

There was no answer. No answer was necessary, because in his answer to my original question the minister gave me all I wanted to know, and in this case I assumed silence meant assent. The next day on a question of privilege the hon. member for Charlevoix-Saguenay (Mr. Dorion) rose and stated that he was one of two counsel who had been appointed to act on behalf of de Bernonville; and he went on to say:

> . . . I strongly resent the untrue and unfounded statement made yesterday by the hon. member for Winnipeg North (Mr. Stewart) . . .

As a matter of fact I had been very factual, as I shall prove later. The hon. member also went on to say he was convinced not only of de Bernonville's innocence but also of the assistance he had rendered our soldiers during the war. I think the most significant thing then was not the statement of the hon. gentleman but the applause coming from the Tory benches which greeted it. One of us is wrong. Either the hon. member for Charlevoix-Saguenay is right or I am right, and I am prepared to leave it to the judgment of the house.

Briefly, Mr. Speaker, this is the background of de Bernonville; I shall give it in greater detail later. He was said to be instrumental in setting up in France a gestapo organization to rout out those who remained loyal to the allied cause during the German occupation. Many executions of those working for an allied victory resulted from his efforts, according to information from France. During the North African campaign de Bernonville undertook to work for the German cause there. Again he established gestapo units to gather information among the French behind Rommel's lines. After the defeat of Rommel, de Bernonville escaped to France. This time the Germans made him military commandant of the Lyons area, a post that would go only to one of the most tried and true supporters of the nazi cause. His special task was to set up a counter-resistance police to combat the French maquis. In this he was concerned particularly with identifying British and other allied officers who dropped into France by parachute to aid the resistance movement. His work resulted in the death of many of these allied soldiers, it was said. This information came out during the Toulouse trial at which de Bernonville was convicted in absentia.

This man de Bernonville came to Canada in 1946, as did all those others I have mentioned. He was ordered deported, and the order was to take effect on October 6 or October 7. Then counsel appeared for de Bernonville, one Mr. Bernard Bourdon, K.C., who secured a writ of habeas corpus. The situation now, of course, is that de Bernonville is free; and I direct the attention of hon. members to a statement by the presiding judge, which I think is somewhat out of order:

> The court ordered the count liberated immediately and said it was directing authorities at Ottawa to grant him asylum in Canada along with his family.

That is an amazing statement, and in it I think the judge went far beyond the bounds of propriety. However, to revert to Mr. Bourdon, according to the Montreal *Standard* of September 4 last he said:

> de Bernonville is here as a political refugee, and there can be no deportation for a political crime.

What a pity Mr. Laval did not know that some years ago. Instead of going to Spain, from whence he was returned to France, he could have come to Canada where he might have obtained refuge as a political criminal. Later on Mr. Bourdon said:

> Since I took over this case many important people have displayed an interest in it.

I am quite sure they have, but I should like to know who those important people are. How tremendously important and powerful they must be to be able to induce the government to upset the laws of Canada, to some extent, and allow in those who on many grounds are not eligible to enter this country. They must be tremendously important people. I remember last year when seven unhappy Jews were deported from this country

because they had come in illegally. I spoke to the then minister about their case. I knew they had violated the law. I was afraid they might have to be deported, but I wanted to see if there were any grounds for clemency in their cases, in view of what they had suffered. The then minister said no; that if we should allow them to stay we would establish a precedent. That precedent had been established; I suppose the minister knew that all these fascists were here, but he deported those Jews who apparently had no very important friends.

On whose behalf was Mr. Bourdon acting? On behalf of de Bernonville, of course, but there is another character in the picture, a Mr. Jean Bonnel, of 4450 St. Denis street, Montreal. I am told that Mr. Bourdon was acting on his instructions. Now Mr. Bonnel is not a Canadian citizen but to the best of my knowledge is still a citizen of France. On October 16 of last year he was quoted in this way:

> Bonnel says he is one of the main sources of aid to refugees from France accused of wartime collaboration.

And about the men with whom I am going to deal he said:

> They are heroes of France. Instead of sending them to their deaths we should kiss their feet.

This seems a very odd citizen to have in our midst; but let me deal right now with this suggestion that if we returned these people we would be sending them to their deaths. The French ambassador has already disproved that in a press conference; and in addition Maurice Ribbet, batonniere of the Paris bar, while in Montreal for the meeting of the Canadian Bar Association, declared:

> They can't shoot him if he returns home. Legally he is entitled to a new trial.

So they will not be shot if they return; they will be tried again, and tried in the courts of a country which is still a democratic nation. Then Bonnel goes on to say that he is one of the main sources of aid to collaborators. I wonder if the minister is aware of this. Is it possible, I wonder, that we have an underground railway into Canada by means of which these collaborators are being smuggled into this country? I know the department cannot possibly keep watch at every point on the border, but there are some of these people in this country, and they have been smuggled in. It is time the country knew how this is done. Then Bonnel said:

> The four are not the only ones here. I could name you twenty living in Montreal. I have one working for me now. There was another here in this office this morning, a man under sentence of death with no passport at all. Nearly all the rest are here under false passports—naturally.

Then he went on:

> I will do everything to keep de Bernonville from being delivered to the present government of France, a government of cretins, assassins and bandits.

Now I think we can place this man Bonnel pretty accurately. Hon. members of this house will know how to judge those words, because there are very few of us who have not experienced the gracious hospitality of the representatives of France in Ottawa. If the minister has not done so already I hope he will make a point of investigating this man Bonnel to ascertain how he got here, what his record is and how, if what he says is true, he is bringing these people into Canada.

But I have another witness, though I am the first to admit that he is scarcely an asset to the democratic cause. I refer to Mayor Houde of Montreal, who said of de Bernonville:

> Other members of his family, themselves under arrest in France, are day by day escaping to Canada to join him, one by one at the risk of their lives.

I would be the last to place any credence in what Mayor Houde says; nevertheless where there is smoke there may be some fire. This is another matter I think the minister might investigate. Mayor Houde made these remarks in a press release:

> Twenty other refugees will be in the same tragic situation as the Count de Bernonville and will be deported also within the next few days. This iniquity should be unmasked. At the present time we are taking steps to see that this project is not executed.

I think we must admit that the steps taken have been, at least, adequate up to date. Then speaking of the deportation of de Bernonville, Mayor Houde said:

> This crying injustice—we can call it this infamy—cannot pass in silence.

Just a few more words about Mayor Houde. At one time I think he was leader of the Conservative party in Quebec. I know that at page 2402 of *Hansard* for 1940, Mr. R. B. Hanson of the Conservative party placed on record a statement attributed to Mayor Houde in connection with national registration, as follows:

> I do not myself believe that I am held to conform to the said law, and I have no intention of so doing, and I ask the population not to conform, knowing full well what I am doing presently and to what I expose myself.

It exposed him to a concentration camp. I can well understand how a man behind bars for hampering the war effort could feel such a close relationship for a nazi collaborationist. Obviously, birds of a feather are going to flock together.

Mr. Pouliot: What about those who collaborated with Russia?

Mr. Stewart (Winnipeg North): I have no time for either of them. Had the hon. member been in his place earlier, he would have heard that. I have heard further that the same Mayor Houde may be a Conservative candidate in the next general election. I should like to be enlightened about that. I wonder if it is for that reason the leader of the Conservative party has had nothing to say about this matter? After all, is the entry of known enemies to the democratic cause into Canada a matter of political strategy, of vote-getting?

If that is so, I can imagine how fascinated the father and mother of a boy who died overseas would be to know that he perhaps died at the hands of those who are getting succour in Canada. I can imagine how intrigued the widow would be who lost her husband overseas when she realized that these men perhaps had killed her husband and are now receiving sanctuary in Canada. It may be held that those who died are not important, but to allow fascist collaborators into this country is a betrayal of the memory of those who died fighting fascism.

I am going to deal in detail with de Bernonville. The first man whose statement I am going to quote is one Maurice Nedey, who was called one of the most remarkable figures of the resistance in a citation by General Charles de Gaulle, then provisional president of France, in August, 1945. Nedey received the Croix de Guerre 1939 avec Etoile de Vermeil for his wartime activities, as well as the Medaille de la Resistance Francaise and the British King's Medal "for courage in the cause of freedom".

The citation accompanying the Croix de Guerre award said:

> Resisting from the first hour, he aided in the summer of 1943 the responsible Bureau des Operations Aeriens for the Saone et Loire.
>
> He carried out numerous missions, both of a liaison nature and transporting arms. Constantly in the breach, he always endeavoured to reorganize parachuting services despite the gestapo's search for him. Arrested June 20, 1944, he was cruelly tortured, but did not deliver anything to the enemy on the organization to which he belonged.
>
> He was one of the most remarkable figures of the resistance.

He received the King's Medal from the British government in November, 1946, from the hands of Alfred Duff-Cooper, British Ambassador to France, in a ceremony at Paris. The citation accompanying the British award said of Nedey:

> (He) was the head of a leading resistance group in the Saone et Loire department of France. He organized several successful engagements against German patrols who tried to capture the material sent. Monsieur Nedey was arrested in July, 1944—

[Mr. Pouliot.]

I believe there is an error in the date, and that it should be June.

> —and horribly tortured. He was deported . . . and was recently repatriated to France.

I should like to read a statement made under oath and certified by X. Limal, an officer of the civil courts of France at Chalon-sur-Saone, dated October 25, 1948. This is the statement:

> Nedey was arrested by Vichy police on June 20, 1944, during a secret mission from d'Allerey to Paris-l'Hopital. He was with M. Picard, liaison agent (Cote d'Or and Saone et Loire areas) for the Bureau des Operations Aeriens. The latter made good his escape.
>
> Nedey was picked up near Chagny by the Group Mobile de la Reserve, but tried to make a break for it. He was recaptured some time later after a wild chase through vineyards—and after having swallowed two pieces of paper containing the messages which were the object of his mission.

May I interrupt my remarks here to say that if I do not have time during the forty minutes allotted to me to put all I know upon the record, I shall speak not only on the sub-amendment but on the amendment and, if necessary, on the main motion. Here is Nedey's statement:

> After having been slapped and insulted, they brought me to the Hotel Moderne at Chalon-sur-Saone, which was headquarters of the Milice. On the night of my arrival the commander, de Bernonville, was absent. They tied my feet with electric wire, after having handcuffed me, and permitted me to lie down on the floor of the guard room. The adjutant ordered a strict surveillance.
>
> I remembered then that a few days earlier members of the GRM (Groupe Mobile de la Reserve) had wanted to join the maquis. While the others slept, I asked my guard to take me to the washroom and I attempted to speak to him, telling him he had taken the wrong path; that everything was over for the Vichyites and that it would be better for him to help me to escape. I guaranteed he would have nothing to fear in accompanying me.
>
> He told me he had two children and the reprisals would be terrible. I assured him real friends would care for them and they would want for nothing. He did not accept my proposition, but as I had confided in him I made him swear not to divulge our conversation to anyone.
>
> The next morning, June 21, about eight o'clock the commander, de Bernonville, arrived and his subordinates informed him of my capture. My guard of the previous night gave a report to the commander, divulging our conversation, on the grounds of attempted bribery of an official. They made me sign this document of my guilt. I could see my case was getting worse, but it was useless to deny the evidence.
>
> After that, they brought me to a large room at the back of the hotel and de Bernonville sat down behind his desk which was in a corner. They cleared the tables and chairs and made me strip.
>
> Present, in addition to de Bernonville were: the adjutant; a militiaman who had arrested me the day before; a man named Poitoux, who was killed a few days later by the maquis of St. Gengoux to atone for the tortures he had inflicted previously on many patriots; a militia lieutenant named Gelin, subsequently condemned to 20 years forced labour, and a GMR lieutenant named Delienne condemned to 10 years forced labour as a result of depositions

I made against them when I returned from Buchenwald; and a civilian whose name is unknown to me.

De Bernonville, seated behind his desk, did not sully or tire himself to torture me; he merely gave the orders and led the course of interrogation. These orders were as follows: "Question him", "make him talk", "talk", "stop", "continue", "it's to your interest to talk and tell us all", "I am in a hurry and have no time to waste". All the staff I mentioned above rivalled each other in cruelty.

(Delienne and Gelin, according to another statement by Nedey, "saved their necks" at their subsequent trials "by explaining they had only obeyed de Bernonville's orders." The latter, they said, did not tolerate any laxity on their part in the fight against the maquisards.)

They spat on me, hit me with their fists, kicked me in the stomach. I warded off the blows as much as I could but one of them lashed me with a whip across the stomach and I thought I would vomit out my guts. I dropped to the floor time after time but they immediately made me get on my feet again by kicking me in the sides.

They stood in a circle and pushed me from one to the other. I began to realize I could not stand this for long. Then I got a tremendous blow which broke my lower jaw and I spat out bits of teeth broken by the shock.

De Bernonville demanded, in effect, the whereabouts of the maquis, the names of high-ranking officers, the location of arms depots, the passwords for various parachute districts, the dates of parachutings, the location of the radio transmitter, the whereabouts of hidden British parachutists and the source of our orders.

I swore I knew nothing of these things, that the resistance organization was highly decentralized and that, to tell the truth, he had a mistaken idea of the organization of the resistance, and I could not tell him lies in order to satisfy him by swearing to things I knew nothing about.

If he had known I was in charge of the co-ordination of several maquis in our region, twelve parachuting fields, arms depots, a radio transmitter and two landing fields, I ask myself what fate would have been reserved for all the organization of our district.

Having been completely unsuccessful in the interrogation, he commanded my torturers to use electricity on me. They took a wire, which they spliced, attaching half to my handcuffs and pricking me with the other half, thus causing burns to my right arm and to the entire right side of my body and to my legs.

This process of torture was the most unbearable that I suffered during that unhappy year. It gave you the feeling of a knife turning in your breast, close to the heart. I curled up like a worm, crying out like a madman.

To keep me from moving, they passed a chair under my arm, blocking me against the wall. They gagged me to keep the noise from the neighbours. I was suffocating. For moments they would stop and prod me with questions, warning "Talk or we go on."

De Bernonville was impassive. I begged him to have pity and I recited prayers. I could stand no more and I could see my moral and physical forces diminishing. I was in utter turmoil.

In my innermost thoughts, I asked heaven for the strength not to denounce my comrades. Fortunately, I fixed this aim in mind; I didn't mind dying, provided it could be right away. I tried to stop breathing to suffocate myself, but nature was too strong. How I wanted to faint in order not to see or feel.

The adjutant took his revolver, loaded it and told me he would count to ten, promising to kill me if I didn't speak. But these threats were not carried out.

These various tortures lasted all day with three-quarters of an hour of rest at noon and ended at seven o'clock at night. Then de Bernonville made me sign an admission which I had not even read I was so exhausted.

At night, when interrogation had been completed, de Bernonville told me I was a traitor and that it was a disgrace to work for England, that I had chosen my destiny badly and that, instead of having to face a firing squad, my fate would have been more glorious in working for the marshal, for France.

He told me that the June 6 landings on the shores of Normandy had been repulsed and, according to latest news, the enemy had been thrown back into the sea.

Amongst the enemy, of course, were a great number of Canadians.

He lectured me, saying the English, through their propaganda, had lost many young men like myself, and that if I were intelligent I would confide in him and he would do something for me.

I had the strength to reply that, since he called himself a true Frenchman, he should promise me at once not to turn me over to the Germans and I would undertake only to serve my penalty from the French. He acquiesced to my request, promising he would not deliver me to the boches. They took me then to prison, lodging me in a cell on the French side with French guards.

During the first night, I was sick many times. I was swollen, the skin of my thighs was in small cubes. I was unable to sit or lie down and I began to suffer terribly from my burns.

The guard of the French jail, M. Claustre, later said he had never seen a man in worse state enter the prison. He took it on his own responsibility the next morning to send for the prison doctor and to have me removed to hospital.

I could no longer open my mouth because of the fracture. My hands were completely dead and insensible. For a time it was even thought I would go mad.

On June 22, around six o'clock in the evening, I heard a guttural voice at the door of my cell and a militiaman turned me over to the gestapo, despite the promises of de Bernonville.

Mr. Speaker: I am sorry to interrupt the hon. member, but he has exhausted his time.

Mr. Stewart (Winnipeg North): May I finish this sentence? That is all I ask:

The Germans took me to gestapo headquarters, where I underwent a severe questioning with blows from a thick rubber strap. I must admit this questioning (by the Germans) was easier to undergo than by the milice.

I shall continue this later.

(Translation):

Mr. P. E. Gagnon (Chicoutimi): Mr. Speaker, it is fortunate for hon. members who support national unity that only the members of the C.C.F. party, fellow-travellers of communists in this country, approved the speech just made by the hon. member for Winnipeg North (Mr. Stewart).

Besides giving us the opportunity to hear panegyrics or interesting criticisms of the government, the debate on the address in reply to the speech from the throne enables

us—which is more important—to express the views of our constituents. It also gives us the opportunity to make known to those who administer the business of this country the feelings and ideas of the people of our respective constituencies on current matters.

I therefore wish to state that the men and women whom I have the honour to represent in the house ask only for peace and harmony so that they may enjoy family life and work quietly at expanding and developing the immense Saguenay district; that is why they are bent on defending and promoting by every means at their disposal the great cause of peace. Since they are extremely intelligent as well as patriotic, they are fully determined not to let the country be dragged into a third war that would bring in its wake nothing but misfortune. Our working people found the last one too costly: it caused too many tears, too many sorrows. Our people want no more such murderous adventures. To put it mildly, they regret the statement made by the Prime Minister (Mr. St. Laurent) to the effect that Canada could not remain neutral in any future military conflict, "even though 11,999,999 Canadians out of 12 million support a policy of neutrality." They commend the motion which the general convention of the St. John the Baptist Society of Montreal passed on November 21, 1948, censuring this provoking declaration which unequivocally discloses the intentions of the present Prime Minister.

Such an aggressive verbosity is evidence that here and now, no matter what happens, the future of our youth lies on the battlefields. Such is the intention of the government, just as it is the government that allows and tolerates this intensive and nefarious propaganda which, through the complicity of its supporters and newspapers, infiltrates into every home to cloud the minds and convince people that some day, perhaps very soon, we will again have to pick up our weapons in defence of Christianity and freedom.

The following is part of an article published on October 18, 1948, in *Le Soleil*, mouthpiece of the Liberal party in the province of Quebec, under the headline "War Psychosis":

> We shudder to believe it, but already the dreadful threat of a third world war is taking shape. It must be admitted that the large American news agencies, main source of news for the world press, carry a heavy responsibility. By their morbid inclination towards exaggeration and the sensational, they have undoubtedly contributed to a war psychosis. Like all large dailies, *Le Soleil* relies on those big agencies for its news. It could not undertake to suppress harmful news nor, by itself, deprive them of the importance they are credited with elsewhere. However, it can call upon its readers to try to distinguish between fact and fiction, between reality and exaggeration, whenever they read about conflicts, crises, disputes and threats . . . One must not sink into the stupor of indifference. On the contrary, clear-mindedness is essential.
>
> If the United States and the U.S.S.R. are bent upon plunging the world into another hecatomb, there is nothing Canada can do to prevent them. The least we can do is to insist that our public men refrain from any provocative statement, from any utterance that might throw fuel upon the flames of discord. And if the world is to be set ablaze once again, then Canada must at least take part in the new massacre only within the limits of absolute necessity, dictated by considerations of national honour and national interests. On the other hand...

(Text):

In one of the last issues of *New Liberty* magazine I read:

> We are asked to believe that the Russians are always wrong, the Americans invariably right. We are asked, in fact, to stop thinking and to react only with our emotions. Objective reporting on the world struggle has become nonexistent in the free press of the west as it is in the controlled newspapers of the soviet union. By such devices we have been conditioned for war with Russia which millions of North Americans now regard as inevitable.

(Translation):

These soviet atheists and their bolshevik dictator, unblemished allies of the western democracies in their crusade against hitlerism, have suddenly become our enemies. This strange reversal of opinion prompted *Le Devoir* to write:

> In 1942, it was a crime to scoff at the Russians; today, it is a civic virtue to hate them. In 1942, Stalin was a great man; today, he is ambitious and unscrupulous. In 1942, Russian soldiers were fighting to free enslaved peoples; today, they are enslaving the peoples they have freed. In 1942, Mr. St. Laurent was prosecuting those who refused to collaborate with the Russians; today, he has those who co-operate with them sentenced to a penitentiary term.

What a tragi-comedy, what a shame and what an amazing lack of foresight on the part of those political leaders whose duty it was to foresee events and to govern accordingly. How naive and guileless they revealed themselves to be!

Today, in an effort to correct the unforgivable blunders committed during the past ten years, we are compelled to rearm. This year again, we will spend more hundreds of millions to equip our soldiers, our airmen and our sailors. We will pay with money the cost of this armaments race until the time comes when we will have to settle with the blood of our young men the warlike escapades of our leaders.

Let us therefore try to see clearly, and not imitate the toad who wanted to make itself as large as the ox. Let us keep a "sense of proportion", as *Le Soleil* writes in its October the 13th issue. It goes on to say:

> The *Financial Post* forecasts appropriations of more than half a billion dollars for defence purposes in the next fiscal year. It would not object if this huge credit were to be properly used, that

is for the modernization of the country's defences. It is too much to expect from a government in which certain ministers talk nonsense, in Ottawa as well as in Paris. The *Soleil* points out the difference in tone between the latest utterances of a Mackenzie King and those of a Lionel Chevrier. The prime minister spoke of conciliation and peace, but instead of following that example, his colleague launched into a bellicose harangue against a country already made as the common foe. This comparison suffices to justify the opposition which is aroused by the vain bravado policy espoused by certain ministers. To calm their warlike ardour, the chief mouthpiece of financiers and businessmen in Ontario points out that Canada is quite unable to defend herself alone, that her role is to furnish foodstuffs and manufactured products to the defenders of democracy, and that the immobilization of her manpower in the army, navy and air force reduces her agricultural and industrial potential. It concludes that such a policy is detrimental to the aim sought, since it may hinder the capitalist cause. If British and American forces, with the co-operation of European democracies, cannot check the russo-communist alliance, our small army, our small navy and our 300 airplanes, will certainly not tip the scale on their side. The experience of the last war compels us to warn Canadian electors of the wastefulness in which a war administration would indulge at Ottawa. They would make all our resources available to the Anglo-American alliance, until the day of victory when the country would face difficulties tenfold those of today. If financiers feel the game rather dangerous, what will the heads of our families think?

In my opinion our political leaders, who dream of another slaughter, would think twice if we only applied to them the treatment suggested by the American minister to Portugal at the time of the attack on Pearl Harbor. Here is what he said to an American correspondent:

(Text):

The air is certainly full of tall talk from capitals all over the world. My guess is that if government leaders everywhere all knew that, in case of war, they would immediately lose their jobs, their power, their exciting living, the cheers of the people and the spotlight and three square meals a day, break off from everything, no more speeches or bows, leave home like drafted, ordinary folks and disappear and roll around namelessly in the mud, they would somehow, far enough in advance, work so hard to avoid war and insure peace that there would be no more wars.

(Translation):

For the good of humanity as a whole, the law of love of neighbour should prevail over the law of might; charity should replace hatred. As Saint-Exupéry wrote in Wind, Sand and Stars:

We are fellow-passengers on one and the same planet, a crew on one and the same ship. And if civilizations must clash in the furtherance of new developments, it is shameful that they should devour one another.

The united nations organization is powerless to guarantee peace and security in this world. It has become, in the eyes of those who follow its deliberations, an arena for virulent speeches, for inconsiderate challenges mouthed by politicians who seek to destroy one another.

The hon. Secretary of State for Foreign Affairs reminded us recently of this fact:

That body remains quite unable to provide the means by which any country can ensure its security.

And, as Mr. Churchill said last October:

(Text):

The assembly of the United Nations which we fondly hoped would be the majestic centre of world security . . . has been reduced to a mere cockpit in which the representatives of mighty nations and ancient states hurl reproaches, taunts and recriminations at one another to . . . prepare . . . for what seems to be a remorselessly approaching third world war . . .

(Translation):

That is not a surprising result, when one can see the representatives of the world's great powers attempt to settle problems which are beyond them without recourse to Him who inspires and guides the steps of each and every one of us, God, master of the universe. It is painful for Christians to read that:

(Text):

Meeting in Paris last week to draft a declaration on human rights, members of the U.N. social, humanitarian and cultural committee decided that it would be best to leave God out of Article I. After objections from the U.S.S.R. (as well as from Britain, China and India), Brazil withdrew its proposal to include the statement that "all human beings were created in the image and likeness of God."

(Translation):

What a disappointing and contemptible attitude on the part of delegates whose mission it is to establish the foundations of a just and lasting peace in accordance with principles of divine law. This fundamental error, this outrage of the creature against his Creator leaves one full of the gravest misgivings.

(Text):

It must be remembered that a man's ultimate security lies in his faith, in God and in himself, and if we substitute for that faith a dependence upon some outside human agency, the result is not an increase in security but a loss.

(Translation):

Great hopes had also been set on those provisions of the Dumbarton proposals which related to the preservation of peace and security.

Here is what Mr. Fernand Dehousse, professor at the university of Liège, and a Belgian delegate at the San Francisco conference has to say in this connection:

The whole working of the plan is dependent on the voting system in the security council, that is to say on the dreadful question of the veto. From that standpoint someone has said, ironically but not without justification, that the great powers would

most likely often reach an agreement if it came to applying the sanctions to others, but that they would reserve the right to avoid them individually. In short, a single vote, be it cast by England, the United States, the U.S.S.R., China or France, can bring about the collapse of the whole machinery. The only wars prevented, the only aggressions repressed would, in the last analysis, be those of small states. On the other hand, the great powers would retain complete freedom. As can be seen, the Dumbarton plan has some value only inasmuch as the co-operation between the great powers can continue after the war, just as it has been maintained during the hostilities. Then peace would be assured. But if the great powers no longer agree, we may expect the worst happenings, the worst catastrophes.

Such is, Mr. Speaker, the predicament in which we find ourselves. Our foreign policy which until now has been patterned on that of London now seems to copy that of Washington. Perhaps should I say it is dictated by Washington. From the way our leaders behave, you would think we were born to be forever in the tow of someone.

When, to appear as important as our powerful neighbour, neutrality is claimed to be impossible, is it not forgetting that history has proven this a fallacy? What of the examples, in the last war, of such countries as Ireland, Portugal, Spain and Switzerland? The august words from the sermon on the mount "Blessed are the peacemakers" should be carved on the entrance of all legislative buildings in the world.

We do not want any more wars, nor do we want to be buried again under taxes as we have been before and after the war of 1939. It is too great a burden for the poor, the lowly, the mass of the people. They are tired of handing over part of their pay check to these gentlemen in Ottawa. They are weary of the endless fuss and forms inflicted on them by dominion government civil servants.

The Department of National Revenue has behaved and still behaves revoltingly toward the taxpayers of the country. Worthy fathers are deprived of the very part of their earnings they require to educate their children, to supply them with medical care, to build a house and buy all the commodities essential to anyone's happiness. In my constituency, the salaries of some workers have been iniquitously garnisheed. Employers, merchants, small grocers are, if at all possible, stripped of their smallest profits while goods are squandered. The people are living in a reign of terror. They are wondering whether tomorrow National Revenue inspectors will not invade their homes to relieve them of the few dollars they have left.

I submit that when the state levies such heavy taxes on the small incomes and savings of its subjects, it is laying hands on something that does not belong to it. The income tax act is anti-social, criminal both in origin and purpose. It is with such measures that unrest is created among the people, that elections are lost and that socialist and communist propaganda is fostered. To those responsible for Canada's destinies, I wish to say: Some day, you will have to account for your administration. Take care, for if ever our economic system is overthrown by a revolutionary movement on account of your accumulated mistakes, you will be among the first who will have to answer at the bar.

When taxes are too heavy, they have disastrous effects on savings. Now, as savings are absolutely necessary to make up the capital which fosters trade and industry, it follows that if they are discouraged, the original source of all undertakings is dangerously dried up. As His Holiness Pope Pius XII said to the members of the international congress of public finance:

For the sake of human conscience, do not destroy morals from the top. Refrain from legislation which, in spite of its brilliant technique, offends and hurts the people's appreciation of equity and inequity, or take small account of its vital strength, its rightful desire to reap the fruits of its own labour, its concern for domestic security, all of which considerations should come first and not last in the mind of the legislator.

The Prime Minister (Mr. St. Laurent) was amazed the other day when those who disagree with him on centralization stated that the federal government is making the most of circumstances, and creates them if necessary in order to seize provincial rights as well as revenues. If it is prepared to forgo rent control, to leave to someone else a problem it has created but failed to solve, if the government is that careful not to encroach upon the powers given to the provinces by our constitution, why then, rather than announce in the speech from the throne the setting-up of a royal commission to look into the activities of certain bodies related to certain aspects of our national life, radio broadcasting for example, does it not withdraw from that field?

With the setting up of the Canadian Radio Broadcasting Commission in 1932, the central government entered the field of education, which was explicitly allotted to the provinces. Through the Canadian Broadcasting Corporation, they monopolize the waves, they secure the air, the better to drown the private radio stations.

In the report of the special committee instituted to inquire into the setting up of a Canadian broadcasting system, it is said that

the evidence has confirmed the opinion of the committee as to "the great importance and advantages of an appropriate and well regulated broadcasting system for the whole of Canada as an instrument of education, guidance, religious and ordinary teaching, etc." And further on: "Our committee recommends moreover the establishment of a certain number of stations of 100 watts or less, operating on divided channels, located where it will be necessary for: (c) the needs of education." If the government are sincere when they protest that they are not centralists, then let them return to the provinces the rights of which they have deprived them. Let them refrain from violating, at every opportunity, the clauses of the British North America Act and let them mind what is exclusively their business.

Mr. Speaker, in conclusion, I would like to add to my contribution to this debate, for the benefit of all concerned and with all due respect for my friends the newspapermen, a denial of the rumour which has been circulating from time to time in certain newspapers to the effect that I am about to change my political affiliations. Elected as an Independent, I shall remain so as long as it will please my electors, the very nice people of Chicoutimi.

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, when I rise to speak in this house and see you discharging your duties in a manner so dignified, a whole world of memories come to my mind. It is a pleasure to see the young pupil of the Séminaire de Québec, sprightly then as now, whom I met later as member for St. Mary in the legislature and who today so tactfully presides over our meetings.

Some hon. Members: Hear! Hear!

Mr. Gauthier (Portneuf): Mr. Speaker, I have listened very carefully to the speech the hon. member for Chicoutimi (Mr. Gagnon) has just delivered. I shall not attempt to dissect it although, as a physician, I should be prompted to do so. Rather have I chosen to dwell only on a single point of the speech from the throne, that relating to the national health plan initiated last year by the government and which is receiving support in all the provinces. Coming on top of provincial legislation, it is a plan which, to the great benefit of our people, has made possible the facilities now available in Canada in this field.

I shall deal with only one paragraph of the speech from the throne, because I wish to confine my remarks to the government's action in making certain sums available to the provinces for the conservation of national health. I wish to single out a special aspect of that general health program, and draw it to the attention of the house, the press and the public at large. The problem, whose importance federal and provincial authorities cannot fail to appreciate, must be solved fully and at once. Untiring and detailed efforts should be made to solve the problem, regardless of political advantages or disadvantages which might result, taking into account only the common welfare, in the conservation of our human resources.

In this respect my remarks will evince these same feelings and I hope that the house will keep that in mind to the end of my speech.

Think of all the politicians of every rank and political creed who have used human resources to foster their personal interests and those of their party. How many have failed and forgotten their promises!

The true politician prefers action to speech-making.

Some hon. Members: Hear, hear!

Mr. Gauthier (Portneuf): In a talk he gave before the Montreal rotary club on February 8 last, the present Minister of National Health and Welfare (Mr. Martin) tackled the problem of mental hygiene with determination; he suited the action to the word.

The statistical picture he drew of the heavy toll which mental deficiency or nervous disturbances levy on mankind ought to make all our people think twice. If we add to this the incalculable risks resulting from background and heredity, we must admit that for those who are free from political worries and realize what a heavy responsibility rests upon them as well as upon our leaders, it becomes an imperative duty to solve this problem.

Here are some of the figures supplied by the Minister of National Health and Welfare in his talk before the Montreal rotary club on February 8.

In the course of a lifetime, one person out of ten suffers from emotional trouble of some sort; moreover, one out of ten needs hospitalization or psychiatric treatment.

The various degrees of mental illness range from mere emotional trouble to complete dis ruption of the intellectual faculty. Con-

sidered from this angle, mental and nervous diseases produce more sick people than cancer, poliomyelitis and tuberculosis. There are in the hospitals giving treatment for these diseases just as many patients as there are patients being treated elsewhere for any other illness, except tuberculosis. We have had as many as 50,000 people suffering from mental or nervous diseases in the hospitals of this country. During the five years following 1930, the number of such cases increased in Canada by 26 per cent.

Was this due to the depression? I cannot say for I did not carry my investigation far enough to say so definitely, but in any event, this increase occurred during the depression. However, during the five years that followed, the increase was reduced by one half and, from 1940 to 1946, it came down to 9 per cent, which is 2 per cent more than the general increase in population. A rather dismal picture, as you can readily see.

In clinics and in dispensaries where the public is admitted physicians report that four out of ten patients suffer from emotional or nervous disturbances.

It must not be forgotten—and it is here that the problem becomes most acute—that along with the generally recognized forms of mental ailments, there are the related problems of juvenile delinquency, drug addiction, chronic alcoholism, pathological disregard of law, suicide and divorce. Anybody who has any knowledge of these problems at all will recognize that this list reveals a serious condition in the emotional syndrome and perversion of the social sense.

You will note, Mr. Speaker, that I frequently quote from the discussion by the hon. Minister of National Health and Welfare. I must say that even though he is no doctor, he displays uncommon knowledge of the present situation and moves with amazing ease through the maze of statistics and tables that show the mental nervous ailments in this country. He is to be congratulated most warmly on this account.

Some hon. Members: Hear, hear.

Mr. Gauthier (Portneuf): We have seen that mental ailments follow an alternately ascending and descending cycle. It is therefore easy to realize that a campaign, a crusade, against mental diseases is imperative in order to prevent the ascending cycle which is bound to reappear, should we not have a well planned policy or should we not be sufficiently aware of our responsibilities. The cost of operation of our mental hospitals is over $26 million a year; that is twice what it was in 1930. There are in Canada 43 such institutions with a capacity of from 300 to 6,000 patients.

The health policy prepared by the federal government on May 14, 1948 is a highly Canadian gesture. The grants to the provinces will, I hope, give a stimulus to the general health protection campaign which has already been launched. May I express the hope—and I call the minister's attention to this matter—that these grants will be put to good use without any thought of political expediency or political favours.

Some hon. Members: Hear, hear.

Mr. Gauthier (Portneuf): I, with many others, would be very disappointed if Canadians were forced to realize that their money is being used to protect the political advantages of one party or other, as has too often been the case in the enforcement of certain social statutes whose costs are partly paid by the dominion government and partly by the provincial governments. I have heard much talk in this house about abolishing the means test. Do not worry about it. In my province, it often disappears automatically, depending on the political colour.

However, I must pay a tribute to Mr. Forest, the chairman of the old age pensions commission in Quebec who, every time I sought to have a wrong righted, showed himself quite willing to make the necessary investigation and remedy the wrongs done by an over-zealous inspector. But I do not wish to wander too far away from the purpose I had in mind at the start. I note in the minister's lecture, from which I am drawing freely, that this year my province is to receive at least $1,140,000 as subsidies for the preservation of mental health. Subsidies for the building of hospitals have already been approved by the federal minister of health, thus making 2,400 new beds available to the public without forgetting that other projects for an additional 3,000 beds are now being considered.

I have here a list, supplied to me by the Minister of National Health and Welfare, showing the subsidies that will be given to the province of Quebec.

First, a subsidy for the building of hospitals has been granted to the Mont Providence

medical-pedagogical institute, at Rivière des Prairies. That project relates to the building of a 1,269-bed hospital for children suffering from curable mental diseases. Under this project, the dominion subsidy would amount to $1,498,277.20.

There is another subsidy for mental hygiene. Two projects connected with the Quebec mental hygiene subsidy are now in the minister's office. One of them concerns the Psychological Institute of Three Rivers.

I may also mention subsidies for the fight against tuberculosis. On February 14, 1949, the following projects had been approved for the province of Quebec.

Project No. 1: Establishment of a new laboratory at the new St. Joseph de Montréal sanatorium. Amount provided, $50,630.

Projects Nos. 2, 3, 4 and 5: Each of these projects relates to the purchase of a mobile diagnosis clinic for the purpose of making X-ray examinations in various constituencies.

I have the right to appreciate the advantages and the efficiency of this proposition because, as a doctor, I know that if it is worthwhile to build large hospitals to care for mental and tuberculosis cases, it is above all necessary to give to preventive medicine all the required attention. Indeed if we forget about prevention in the treatment of these diseases, whether mental or nervous, whether of tubercular, arthritic or other origin, sanatoriums must of necessity be provided, because cases increase rapidly.

As to the B.C.G. vaccine against tuberculosis, I understand that often doctors do not take an innovation for granted. You probably remember the fight which took place when Pasteur put on the market his anti-rabic serum and when Dr. Roux introduced his antidiphtheric serum.

I know that many doctors have perhaps not paid the required attention to the B.C.G. vaccine but I believe the people appreciate this vaccine and that vaccination, as far as prevention is concerned, will bring relief to babies who, some day, will grow up and thus be protected against tuberculosis.

I also congratulate the hon. minister for providing grants that will allow doctors to carry on research work on B.C.G. vaccination.

Project 9 provides a grant for the purchase of scientific apparatus for the Sacred Heart hospital of Cartierville. The project, amounting to $57,636.80, was approved on January 10th.

There is another project similar to that of the Gaspe sanatorium for which the government is to provide a grant of $94,788.03.

Again, Mr. Speaker, I must underline the fact that the hon. minister will have to pay particular attention to the spending of those grants of the federal government to the provinces.

Although I do not wish to impute ill intent to any of the provincial governments, I feel my misgivings are not altogether groundless for I know from experience that too often while federal grants for the building of provincial hospitals were indeed used for that purpose, at the same time they served the interests of friends of the government who were awarded contracts without tenders being called.

I read in *Le Soleil* of February 10th of this year that streptomycin is to be distributed free in the Quebec sanatoriums.

I congratulate the minister. Foremost tuberculosis specialists recognize that although not a cure-all streptomycin is yet the most efficacious drug for the treatment of tuberculosis. I have seen patients at the Mont Joli sanatorium whose recovery has amazed great specialists, including Drs. Couillard and Herman Gauthier.

I congratulate the minister who has made streptomycin available free of charge and I hope that it will be used advisedly.

I now come to a critical point, Mr. Speaker. I spoke a moment ago of mental hygiene and of prevention. As far as the prevention of mental diseases is concerned, I must say that all provincial authorities and temperance societies—I need not mention them by name because they are known to hon. members—will have to launch a very active campaign to stem the tide of alcoholism, which spreads night and day in the province of Quebec, to the full knowledge of the attorney general of the province.

I am dealing with a moral rather than a political matter.

I am not doing so to discredit my province, to sling mud in her face, as some of our opponents will claim after having heard or read my speech, but because I know that human assets are endangered and that mental diseases, nervous disturbances and those ailments due to heredity and atavism will keep on increasing if we continue to keep a portion

of our people in a state of drunkenness, as is done at the present time in my province.

It is startling to read, in the report of the Sacred Heart leagues of Montreal, how many liquor stores, grills, restaurants and hotels operate with so-called permits that carry no number, or else, in the name of that famous tolerance to which some people in Quebec are so partial, they serve liquor to all and sundry. I have traveled all over my province long enough to see with my own eyes beer and hard liquor served to children of 13, 14, 15 and 16 years of age. As proof of my assertions, I refer the house to the report of the Sacred Heart leagues. Their campaign, however, has not been carried far enough; they ought to pursue their patriotic efforts, even in the face of retaliation. I urge our own Cercle Lacordaire and the Cercle Jeanne-d'Arc as well as the St. John the Baptist Society and all other influential groups to put an end to this infamous tolerance shown intoxicating liquor in my province. I even maintain, Mr. Speaker, that alcoholism can, more than any other evil, spread the havoc caused among our people by mental deficiency and nervous disturbances.

An hon. Member: Hear, hear!

Mr. Gauthier (Portneuf): In support of this contention I will quote some eminently qualified authorities. Here is what a French specialist says: You will note that I am not quoting a Canadian one since I have no wish of being accused of choosing the best in order to plead the case of our young people.

Dr. Monin, who was secretary of the comity of hygiene, in France—this goes back to pre-1900 days—says this:

> The truest word ever uttered on this subject remains perhaps that of Bucknill: "The drunkard drinks because he is insane. He is insane because he drinks."

Dr. Monin adds:

> Alcohol is a major factor in criminality. The investigations carried out by Mr. Yvernès show that the first principle violated by the drunk man is the respect of officials. Then come insults to policemen, destruction of trees, plants, fences, gross indecency, assault and battery, seditious cries, conditional threats, manslaughter through criminal negligence, arson . . .
>
> A tenth of all murders result from bar-room brawls. Of one hundred divorces granted in Denmark twenty-four are granted on grounds of drunkenness (Magnus Hüss).

Dr. Monin says further on:

> In the corner of each brain, used to say Moreau (of Tours), madness lies dormant; the main thing is not to bring it to life.

[Mr. Gauthier (Portneuf).]

And to show you, Mr. Speaker, that alcohol is a powerful destroying agent, it affects even the bees. As a matter of fact, the bees that feed on a plant on which a few drops of alcohol have been poured become indolent, lazy and, as we say today, go on a sit-down strike and stop producing honey. I tell you all this to show the damage alcohol can cause even to animals. Mr. Speaker, I have given numerous testimonials of experts of renown on the damage caused by alcohol. The research of eminent physiologists all show—and this is for those who claim that alcohol is a necessary stimulant—that even the purest alcohol cannot be a useful source of strength, for it is extremely injurious to the protoplasma. It therefore diminishes and exhausts productivity, despite misleading appearance of exhilaration, and the disappearance of fatigue, which might lead one to believe that new strength is achieved. Alcohol thus promptly consumes our reserve energy and lowers our physical and mental activity. Therefore, to repeat the words of Koppe "to use alcohol is to abuse of it". It soon ends by dulling the intellect of the one who is weak enough to be attracted by its deadly mirage.

And now, bearing in mind the grants that the minister of national health is about to give my province for the building of hospitals, especially those for persons suffering from mental or nervous disorders, I ask him how can such grants be expected to serve a useful purpose, if people continue to dull the minds of our population, especially of our youth?

Mr. Speaker, I repeat that I have no political aim in speaking thus. But as a doctor I would ask everybody—to use a term often used here—to rise as one man, to arouse public opinion and to order the authorities in my province to stop showing such a lack of seriousness which would surely end by the population of my province being thrown into an unavoidable state of mental weakness.

Some hon. Members: Hear, hear.

Mr. Gauthier (Portneuf): Of course it is preferable that the sale of spirituous liquors be controlled if liquor stores are absolutely necessary, but it should not be made a political question for the purpose of swelling electoral funds.

Some hon. Members: Hear, hear.

Mr. Gauthier (Portneuf): And if there is an occasion when the manpower question should be discussed, it is surely when the danger of alcohol with regard to mental and nervous diseases, to say nothing of tuberculosis, is being pointed out. Indeed, many eminent British physicians have shown that, in the case of tavern frequenters, the larger number of tuberculosis victims were among the waiters rather than among the patrons, because, as everyone knows, those places are often quite contaminated through the lack of cleanliness.

More can be said, Mr. Speaker. I have mentioned tolerance, which I have called "accursed tolerance". As a matter of fact, there are "flying bars", not to say "rolling bars". That, in my opinion, is going rather far in generalizing the sale of liquor among young people. I have not seen that myself, but it has been observed by Father Arsenault of St. Camille, who wrote to *l'Action Catholique* on May 17, 1948, a letter in which he mentions the "rolling bars" which are seen everywhere.

I want it to be understood that I am speaking not as the member for Portneuf, but as a physician anxious to protect our manpower, the Canadian youth and the people at large against those who are not thoughtful enough to be conscious of their responsibility.

It will surely be said that I am flinging mud at my province, that I am throwing discredit on it, but it should not be forgotten that Quebec is not the only province which consumes alcoholic beverages. Ontario also is consuming some. As a matter of fact, I have here figures from the Toronto *Daily Star* of June 26, 1947, where one can read the following headlines: Third of Canada Booze Down Ontario Throats.

I will give you comparative figures for the provinces of Ontario and Quebec: "Spirits", the strongest spirits—

An hon. Member: And often the best—

Mr. Gauthier (Portneuf): The spirits which are sought in the bottom of a bottle and evaporate so rapidly. I quote:

Ontario, 2,661,034 gallons; Quebec, 2,014,039 gallons.

Mr. Gagnon: Well, the situation is better in Quebec.

Mr. Gauthier (Portneuf): The cost of this liquor in Ontario was $58,471,888, and in Quebec, $46,268,384. All this to poison our youth and that of Ontario.

Mr. Lalonde: It is worse than war.

Mr. Langlois: Yes, and they talk about taxes.

Mr. Gauthier (Portneuf): Yes, and they talk about taxes. I could give you, for wine and beer, figures which are very similar in both provinces.

(Text):

The other day the hon. member for Stanstead (Mr. Hackett) spoke about prejudices having been stirred up in the by-election in Nicolet-Yamaska. I have always thought that the stirring up of prejudices in any election works both ways. For the benefit of my English colleagues, I shall cite an example. Do you know what those who do not favour the Prime Minister's policies are saying in order to get the favour of the public? During the by-election in Nicolet-Yamaska one man spoke at Gentilly in broad English accents in order to mock the Prime Minister. Do you know why? Because in Quebec they are trying to depreciate the Prime Minister by making the population believe he is English through and through. It works both ways.

Mr. Graydon: Do not blame me; he is part Irish.

Mr. Gauthier (Portneuf): We have been accused of furthering prejudices. Every time the Prime Minister's name is mentioned, it is pronounced "Louis Stephen St. Laurent". The purpose of this is to make the people believe he is more English than French.

I have the shorthand notes of a speech in which the speaker said that Mr. St. Laurent was no more a French-Canadian than the leader of the opposition. It was admitted he was a great lawyer in good standing. It was said he was earning over $60,000 a year before coming to this house. Your friends said that. They said he was born of an English mother; that he was born in an English county and educated in English institutions. It was said that he graduated from McGill. Your friends said those things during the course of the Nicolet-Yamaska by-election. They were trying to depreciate the Prime Minister and make the population believe he is too much of an Englishman to be supported by French-Canadians in Quebec.

My last word, Mr. Speaker, is a word of warning to everyone in this house who wants to say a few words about communism. I would especially ask the leader of the opposition (Mr. Drew), who made a good speech on communism yesterday, and the hon. member for Red Deer (Mr. Shaw), to remember

that what they said is not in line with what the attorney general of Quebec wishes, because the other day he gave a warning to the press. He asked the press not to speak of communism because they were giving communists too much publicity. He would rather have the chance to put a padlock on some communist school or place of propaganda every time there is a general election or by-election. That is what the padlock law is used for in Quebec. There are still many communist schools in Quebec. They still exist in Quebec in spite of the padlock law. The padlock law should not be used as a means of political advantage for anybody.

If we want to stop communism let us know something about it. I was in the house in 1937 and I made a speech on communism. I spoke about the organization of communist cells and I saw many hon. members with broad smiles on their faces twelve years ago because I was afraid of communism. The danger that was near at that time is now here. We will not combat communism with a padlock law which is used only for political purposes. We do not combat communism in that way. It is not economic conditions which give birth to communism. It is because our economic and philosophical programs have forgotten something, namely, that man is made in the image of God, his creator. They have used man as an economic tool, forgetting his intellect, his soul and his heart. That is the trouble with our generation. If you want to know more I ask you to read the book "Communism and Conscience of the West" by Monsignor Sheen, and the "Philosophy of Religion" by the same author. If you read those books you will find many clear explanations of what is the trouble with our civilization. Let us not throw stones at each other about communism. Let us not state that communism has spread during the Liberal administration in our country. Communism is not due to any economic condition. It is used as an occasion to spread communism. The source of communism is religious. They have replaced Christianity itself with the communist religion. They have replaced the apostle with the pictures of Stalin, Molotov and all the others. They have tried to put inside the soul, the heart and the mind of the Russians that very communist religion. Believe me, it will not last forever. As Monsignor Sheen said, some day religion will come back to earth and communism will disappear. But if we want communism to disappear, let us first know something about it. Let us go back to the right way. Let us not try to throw stones at each other. Let us try to enact laws which will prevent communism from having any part in the administration of our economic and social life. That is the only way to stop it.

Mr. N. J. M. Lockhart (Lincoln): I shall not comment particularly on the remarks made in English by the last speaker, although I followed them with considerable interest. The matter with which he dealt is an important one, and it behooves all of us to attempt to learn something more of the situation as it exists in Canada.

I shall endeavour to avoid repetition as much as possible and attempt to make my few remarks a reflection of the opinions and sentiments which are expressed by the persons who live within the riding I represent, the riding of Lincoln. I feel that that is the honest endeavour of practically all hon. members. Sometimes prejudices arise, but for the most part that is the honest intention of most hon. members who speak on the address.

First I wish to say that I associate myself with every word uttered by my leader on this subject that was covered in the remarks of the hon. member who has just taken his seat. My leader outlined to this house in as clear terms as it could possibly be outlined the menace that communism is to this country. He outlined its origin, dating back a long time, and the unjust and unfair practices which are being followed to try to stamp out our way of life.

In my own district some of the larger and more influential unions had become dominated, as is true in many other places, by persons holding communistic views. I am glad to say that in my own area one by one the larger union groups are gradually throwing off the domination which has been so prevalent in the last three or four years. That is true in other areas too. I can truthfully say that in the larger union groups in my district employer and employee are now sitting down and discussing their problems with a fuller understanding than was ever accomplished during the time when those communistically inclined were in charge of these union groups. Having said that much about this influence that is rampant throughout the country, the influence of an ideology which is ruining the greater part of Europe, I should like now to turn to a more specific reflection of the views held by my own people respecting subjects which come closer to us.

My people are asking when there may be relief from taxes such as the gas tax—and I am referring to fuel gas—the tax on electricity, on radio, on telephones, the 25 per cent luxury tax which is so unfair when applied against young couples who are starting out in life together. Then, we have the travel tax which has caused considerable

comment in my area. Many people have spoken to me about it. That was an effort during the war to raise revenue and, at the same time, to curtail travel. We have a travel bureau here in Ottawa which is spending large sums of money trying to induce people to travel while, at the same time, we have this large tax imposed upon travel, having the effect of curtailing it, as it was curtailed during the years of war.

It seems to me that this is most inconsistent, and it is certainly viewed in that way by many people in my constituency who have spoken to me in the matter. Then we come down to the heavy income tax schedules. As must have been expected, reference is often made to the odd billion or more of surplus floating around in the hands of the government; and it is considered that at this time it is most unfair to take that amount of money away from the people.

Only a week or two ago one point in particular was brought forcibly to my attention. I refer to it at this time because in it there is reference to the Minister of National Defence (Mr. Claxton) who, I am sorry to say, is not in his seat. A few days ago I was in conversation with a chap who is in the permanent air force, and he proceeded to lodge some of his complaints, and to give his reasons for them. I should think it would be most interesting if the Minister of National Defence at this time when, if all reports are true, enlistments are not very encouraging, could have listened to the story told to me by this younger brother in a family which has a most enviable military record in the service of the Royal Canadian Air Force.

The young man told me that, as I recall it, at the airport in Ottawa his group were addressed not long ago by the Minister of National Defence. I was told by the young man the minister had said that he was doing his best to do away with the income tax as it affected young men in the permanent air force.

Following that speech the young man returned to his home and, while there, told of the minister's address to the permanent force. In that same home were two other brothers who had served overseas with distinction. One of them had been shot down, although fortunately he had escaped serious injury. Those two brothers who had served in the Royal Canadian Air Force proceeded to place before their younger brother the true picture, and to tell him what he might expect.

If the minister continues to promote enlistments among those younger men who are becoming eligible for enlistment, men who may have older brothers who have had experience in the forces, he will find that his problem is a difficult one. The younger brother told me that his brothers had told him what they had been told overseas with respect to housing—that every man was to have a job and a house to live in when he got home. The younger brother told me however that one of his older brothers was still without a home, despite the fact that he had been slightly injured overseas. A pension of $12.50 had been awarded him. He was boarded six times within a year and a half, at the conclusion of which his pension had been reduced to $2.50.

That is the sort of thing these young men are talking about; and I say the minister must cure some of the evils before he can expect to get the response for which he is hoping in respect of enlistments in the permanent forces.

At the same time I was told that one of the brothers had served nearly five years in a heavy artillery unit of the army. The claim is now made that he is not pensionable, owing to the discovery by some medical doctors of what is alleged to be a pre-enlistment condition. This ex-soldier is faced with the necessity of having to fight for his rights to obtain some type of pension.

These are the things which the younger men, those who would be eligible for enlistment, are complaining about. They have learned a good deal from their older brothers who have had experience. Then, I am asked about the setting up of the committee on veterans affairs. These veterans cannot understand why the government does not recognize the many problems which should be considered at this time. I should hope the Minister of Veterans Affairs (Mr. Gregg) would give some opportunity for a general review of the many problems connected with veterans affairs.

Then finally, Mr. Speaker, we come to the question of housing. It was almost pathetic to hear what this young man had to say in that regard. He spoke of a soldier boy with one child who had tried to get one of the wartime houses.

I called upon what is now the Central Mortgage and Housing Corporation at least a dozen times on behalf of a chap who is living in one room with one child up on the third story. I do not blame the local administrator, because he is just a chief clerk who is doing the best he can. He told me that he could not give that man a house unless he had at least two children. It seems too bad that a young man with only one child cannot be provided with one of these wartime houses when he was told overseas in most emphatic terms that the housing problem would be taken care of for him when he got home.

In this particular case I told the young man to go down to the Central Mortgage and Housing Corporation to get one of the one hundred and two houses that had been built on what we call the Westchester avenue cut. He took my advice and made application for a house, but he could not get one because he is a pieceworker and was not considered to have employment of a permanent nature. These houses are rented at $42 per month, but before he could get one he would have to be engaged in the category of employment that would make him practically an annual asset. I could not believe it, but I checked and found that it was practically true.

I submit that the government is not doing its duty to the returned man. Aside from the inconsistencies that have developed in pension rights and the like, the first duty of the government is to provide them with homes.

Central Mortgage and Housing Corporation is developing something in the constituency of the Minister of Labour (Mr. Mitchell) to which I strongly object. A couple of weeks ago I saw a development that has been started outside of Niagara Falls, at a point which seemed to me to be miles from civilization. I would say that about one hundred houses have been erected all cut from the one die; there is not a particle of difference in any one of them. They are small homes on forty-foot lots. Apparently Central Mortgage is still adhering to the forty-foot lot.

The roadways are made up of a few loads of stone scattered over the mud. I saw a mother with one child of two holding her hand and another baby in a go-cart having to take a most circuitous route in order to get to the main road. She had to walk three-quarters of a mile at least. I say that that kind of thing is not good enough for our returned men. I hope the Minister of Labour will check this up and I shall be glad to give him all the information I have.

It is time that something was done that would have a better influence for good among the men who fought for us during the past war. If the Minister of National Defence (Mr. Claxton) would listen to some of these stories—I am sure many hon. members have heard similar stories—he would understand why his enlistment program has not reached the point that many of us thought it would.

I come now to another matter which I should like to impress upon the government. The other day an hon. member referred to unemployment in Vancouver. Our socialist friends to the left were complaining bitterly about the many thousands of unemployed. There is one thing I should like to lay definitely on the doorstep of the government. I know just what transpired. During the war people were coaxed, and I say that advisedly, to leave small villages and rural areas to move into urban centres in order to produce munitions. Houses were built for them. In my own city some six or seven hundred so-called wartime houses were erected.

When the war ended those people refused to move back to the farm. The result is that we are short of butter, bacon and cheese and we hear the agitation for margarine. The wheel goes around and around. The government has fallen down in this matter. If it could induce people to move into the larger centres like Vancouver, Hamilton, Toronto and Montreal and provide them with housing, it is the government's responsibility when they have control of everything else to see that those people move back to the environment from which they came. That may be a broad statement to make, but the municipalities should not be imposed upon without some consideration and help.

It is not fair to try to coax masses of people into urban centres and then leave them there to be a direct responsibility of the municipalities. I strongly condemn the government for its failure in this respect. We are bringing in people with an agricultural turn of mind to go onto these vacant farms. There are many vacant houses out in the wide open spaces. Even in my own thickly populated area there are many houses available on the back concessions. These places are being occupied by displaced persons and other people who have been brought in.

I asked a question today about television, but I had a brush-off. That may be all right, as we are used to it, but I want to say a word more about this matter. Somebody has said that unemployment is growing. I am not so sure it is not, but I notice that the United States government is laying a cable to link fourteen major cities from New York to St. Louis in a television network. I read in this publication that there are more than 300 applications. As a matter of fact, it says that perhaps 400 are pending. There is a very interesting picture in one of the magazines. An enthusiastic purveyor of ice cream, soft drinks, sandwiches, candy, and so forth, has installed a television hook-up right in his place of business. The picture shows upwards of seventy-five children sitting in an orderly fashion drinking soft drinks, Coca-Cola, and drinks of that kind, others eating ice cream cones, and all apparently watching the television pictures that are being thrown on the screen. The man was interviewed as to why he did this, and he said that he was convinced that we have to do something to keep the children off the streets.

I suggest that, if the country to the south of us is going after television in a big way, it is time for the government to make some announcement and let the people know whether we are or are not interested in this most enticing development, perhaps one of the greatest that this country has ever seen. I am told that at the present time there are 16,000 receiving sets being made per week in the United States. I have talked to radio men in my own home city, and they say that they are cancelling orders for radios simply because they think the public are beginning to feel that television is just about to break. They do not want to buy machines that may become obsolete in a very short time.

I mention this matter to the government because it is a common topic among many people, and I say it is high time that the government paid a little more attention to it. I can assure the government that it is a very moot question in my own particular area because we are close to the border. There are many views that one might express, but I said at the outset that I was attempting to reflect in a small way some of the things that appear to be worrying people in my own constituency. My people say that while they put up with controls without much protest during the war, four years afterwards they find that there is a great army of snoopers, as my leader called them, and that is what a lot of them are. They feel that it is about time something was done to curtail that type of thing, and to reduce the cost of government, especially when we have floating around in the hands of the Minister of Finance (Mr. Abbott), as I said before, an odd billion or more which has been taken from the people unjustly. In attempting to show some reason why their circumstances are not just as they ought to be, I have pointed out that they are given the brush-off by controllers, by men in high places not responsible to parliament. I say it is high time that the government assumed their responsibility to a greater extent than they have.

Mr. W. D. Wylie (Medicine Hat): Mr. Speaker, at the outset of my remarks I must confess that I intend to discuss a number of subjects in view of the latitude given to hon. members in this debate. I intend to discuss matters pertaining particularly to my own constituency and, as a matter of fact, to the people of Canada as a whole. The speech from the throne was disappointing in many ways, at least to me. One way in which it is disappointing is the fact that no mention was made of irrigation. Not one word was said about supplying water on our western plains.

I have spoken in every debate on the address in reply to the speech from the throne since I have been in the house, and I offer no apology for again devoting my time to a further discussion of the possibilities of irrigation for southeastern Alberta. The development or irrigation perhaps means more to the city of Medicine Hat than to any other community in Canada.

I must congratulate the mover of the address, the hon. member for Essex West (Mr. Brown). When he finished his speech I felt that I knew Essex West, and that I knew Windsor. Some members may think that it is bad taste to always discuss the problems of one's own constituency, but until those problems are solved I think that we are forced to do so. While I shall not attempt to duplicate what the hon. member for Essex West said, I shall certainly do the best I can to give the members of the house a few details about my constituency. Speaking of irrigation, I must mention at the outset that in my constituency we have some irrigation projects and we have areas which it is impossible to irrigate. First of all I want to mention the Taber area south and west of Medicine Hat. It is one of the best areas in western Canada, and the farmers specialize in the growing of sugar beets and many other field crops. A new factory is being built at Taber which will take care of the production in that district by 1950. They go in for diversified farming, raising stock and feeding them on the pulp from the sugar beets. In driving through the district surrounding Medicine Hat, and on west, one cannot help noticing the difference in the climate as soon as you get to an irrigation district. The air is entirely different; you think you are in a different climate.

Then we have the eastern irrigation district at Brooks, the largest in Canada, where they have 170,000 acres under irrigation. That is "where water works wonders." I think that is a wonderful slogan, and it certainly is true. They do not have a sugar beet factory in that area but go in for the raising of many other crops. Just to mention a few, they raise canning crops, field vegetables, root crops, vegetable seeds, tree and small fruits, field crops and many others. I might also mention that the Canadian championship for barley was won by Mr. Thomas E. Brown, who comes from Cassils. Many other records also could be mentioned coming from the eastern irrigation district, but I need not take time to do so. In passing, however, I think I should mention the pheasant shooting in that area. The Brooks area without a doubt is one of the finest pheasant-hunting districts in Canada. Sportsmen come all the way from eastern Canada to shoot pheasants there.

As you go further west you come to the western irrigation district at Strathmore,

which comes down to Cluny and Gleichen, another prosperous area through which it is a pleasure to drive. That was especially so last summer, when they had wonderful crops in that district, just showing what irrigation can do for a country. The rainfall seems to become more abundant as water is spread over the land and more trees are planted.

The residents of southern Alberta have been marking time for many years waiting for irrigation. We have two projects that affect Medicine Hat in particular; the St. Mary-Milk river project and the Bow river development project, which is more familiarly known as the Canada Land and Irrigation project. Before discussing irrigation further, I want to say that, after listening to the right hon. the Minister of Agriculture (Mr. Gardiner) this afternoon, it seems to me it should not be necessary for me to take up any time in this house discussing this subject. After all he told us about what the Liberals had done—

An hon. Member: Twenty-five years ago.

Mr. Wylie: Perhaps it was twenty-five years ago, because we have discussed irrigation for twenty-five years, and if we leave the present Liberal government in power we will be discussing it for another twenty-five years. After listening to that speech this afternoon one would think the Liberals had done almost everything necessary to satisfy every community in western Canada. Certainly they have forgotten many parts of the west.

Mr. Thatcher: Particularly Moose Jaw.

Mr. Wylie: We are not just sure where that is. The speech of the minister this afternoon would lead one to believe that all the farmers were satisfied and that no one had any complaints. That is not the case. In southeastern Alberta, where we need irrigation, the farmers have plenty on their minds. I want to refer for a moment to the Meek report, published back in 1942, which made this finding:

That Canada should construct at an early date the necessary irrigation works to protect by beneficial use its share of the St. Mary and Milk rivers.

I realize the government has made a start on a dam there, but it is a long way from completion and we in that area will not consider that project finished until we have water from that dam running through the city of Medicine Hat. The report goes on:

That there is tributary to the St. Mary and Milk rivers a larger area of good irrigable land than can be irrigated by the total water available from Canada's share of these rivers supplemented by waters of the Belly and Waterton rivers.

That upon the completion of the ultimate development a total of 345,000 acres would be available for post-war settlement and for the re-establishment of many farmers at present on submarginal lands.

How true that is. A short time ago I said that residents of that area have been marking time for many years waiting for the government to do something in the way of irrigation. Today we have many farmers who are ready and willing to settle on irrigated land. Then let me read another section of the report:

That with irrigation, soil and climatic conditions in southern Alberta are highly favourable for the production of livestock and for growing forage crops, sugar beets, corn, and a wide variety of specialty crops.

That the stabilized agriculture and increased production resulting from further irrigation development in southern Alberta would provide for permanent home building, for a higher standard of living, and for improved social advantages and educational facilities.

I think we all realize that is the case. It must be remembered there is never adequate moisture to assure even a good grain crop in the dry areas of southeastern Alberta. The annual average precipitation in that area is 12·70 inches. The average rainfall for the two vital growing months of July and August is only 2·8 inches. Root crops require a great deal more moisture than grain. Further factual data is available to show that the land with which we are concerned is rich in protein-giving elements and capable of greater production if properly irrigated than the irrigated lands in many other parts of the west. I think that is a well-known fact.

In the years in which we have some rain, I could not say sufficient rain, we can grow crops. We can grow wheat in that area with less moisture than is needed in many parts of western Canada. I might add to that by saying that the wheat in that area is of better quality than in many parts of the west. In that area we also have from a minimum of ninety days to as high as one hundred and forty days wholly free from frost, and that is another matter which must be taken into consideration when planning for irrigation.

Mr. Johnston: The Minister of Agriculture takes credit for that.

Mr. Wylie: Perhaps he does, but when he goes out west I do not think he is so hot that he stops the frost. Irrigation would bring diversified agriculture, which is so essential to any community's prosperity. It would cushion the shock of any business recession which we hear so many people predicting is now on its way. It would reduce the cost of living by providing products now imported over long hauls. After listening to some of the discussions on freight rates, I think that

is a very important point. Many of these products could be produced right at home.

It would give stability by establishing new enterprises which were not so dependent on generally prosperous business conditions throughout the country. It is wasteful and shortsighted economics to allow these south-eastern lands to remain undeveloped. It was Herbert Hoover who once said:

> Every drop of water that runs to the sea without rendering a commercial return is a public waste.

I think that is a statement of which the Minister of Agriculture should take note, especially after the speech he made this afternoon. There are several good reasons why the government should give serious consideration to completing the Bow river extension with as little delay as possible.

The provincial government completed the agreement between the province and The Canada Land and Irrigation Company over various lands in the area affected. The main ditch has been completed over its entire course to Redcliff. A lot of people do not realize that fact when irrigation projects are being discussed. It will cost less to complete that project than to complete any other project in western Canada under consideration at the present time.

On motion of Mr. Wylie the debate was adjourned.

PRIVILEGE

REFERENCE TO SPEECH OF MR. GARDINER ON FEBRUARY 22

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, before you leave the chair, I wish to rise on a question of privilege. This afternoon I was quite unavoidably absent when the right hon. the Minister of Agriculture (Mr. Gardiner) spoke. I am told he gave a typically inaccurate account of certain events which transpired when his government was defeated at the polls in Saskatchewan in 1929. I understand he charged that I supported the entry into a coalition government of the Progressive and independent members of the legislature under the late Dr. Anderson.

Not only did I not support it, but I opposed it vehemently and strenuously because I disagreed with the type of campaign conducted by Dr. Anderson and his friends. The Progressive party was disbanded when two of its elected representatives entered the government against my advice and that of the other members of the executive. I immediately assisted in the formation of labour and farmer groups which culminated in the C.C.F. party in 1932.

By one of those coincidences that sometimes occur, I received a letter last Wednesday from Dr. Hugh MacLean, a very respected citizen of Regina, now retired and living in Los Angeles, in which he reminds me of the true and quite different story. He speaks of a certain person, who shall be nameless. He says:

> —the henchman who approached me when I wrote him (the present Minister of Agriculture) that he would have to retract his statement in which he denies that anyone had gone to you at his request after the election of 1929 and offered you a position in his government if you could prevail upon the progressives to support him. I insisted that his statement to the press would have to satisfy me and you, else I would tell the whole story.

The statement admitting the facts was given to the press by the minister in the form of a letter. Somewhere, I have an original of that letter. The minister's statement this afternoon is absolutely incorrect for I was bitterly opposed to the Ku Klux Klan and its activities, as were many of my friends. As a matter of fact and record, my advice to the Progressive members was to remain independent and support all good legislation. They did not heed my advice.

BUSINESS OF THE HOUSE

Mr. Graydon: May I ask the acting leader of the government what the order of business will be for tomorrow?

Mr. Fournier (Hull): We shall continue this debate.

At 10.30 p.m. the house adjourned, without question put, pursuant to the order of the house passed on February 22, 1949.

HOUSE OF COMMONS

Wednesday, February 23, 1949

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

PRAIRIE FARM ASSISTANCE—PRAIRIE PROVINCES

Mr. Diefenbaker:

1. What is the total amount of prairie farm assistance payments that have been made or have been passed on favourably or accepted in each of the provinces of Alberta, Saskatchewan and Manitoba during the year 1948?

2. In how many cases have requests or applications for payment been denied in each of the said provinces?

Mr. McCubbin:

1. Manitoba, $43,173.75; Saskatchewan, $11,112,671.50; Alberta, $1,637,306.25.

2. Manitoba: 37 townships applied for; 19 found to be ineligible. Saskatchewan: 1592 townships applied for; 249 found to be ineligible. Alberta: 715 townships applied for; 337 found to be ineligible.

HOUSING—CONTRACT TO BOW RIVER CONSTRUCTION COMPANY

Mr. Johnston:

1. When was the contract or contracts let for the construction of forty houses under N.H.A. to the Bow River Construction Company of Calgary, Alberta?

2. Who approved the plans and specifications for this contract?

3. Who approved the contractor or contractors for this project?

4. What were the qualifications of these contractors as to building experience and as to financial ability to complete the job?

Mr. Winters:

1. No contract for the construction of houses in Calgary has been let to the Bow River Construction Company by Central Mortgage and Housing Corporation. The company planned to build houses for sale to prospective home owners. The houses were to be constructed on the company's own account and therefore no contract for the construction of houses was involved. However, as it was intended to finance the project under the National Housing Act, the company entered into two agreements with the corporation pursuant to section 4B of the National Housing Act. These agreements provided that:—

(a) The company would finance the construction of the houses it planned to build under the provisions of the National Housing Act.

(b) The company would construct the houses for sale at a price not in excess of a price fixed in the agreement.

(c) The corporation would purchase from the company on the expiration of a fixed period after the date of completion, and at a price fixed in the agreement, any house built pursuant to the agreement that remained unsold.

(d) The houses were to be offered for sale in the first instance to veterans.

The agreements mentioned above were dated July 25th, 1947, and November 4th, 1947. All such agreements entered into pursuant to section 4B of the National Housing Act are known as integrated housing agreements and the plan as "The Integrated Housing Plan".

2. The Bow River Construction Company of Calgary obtained mortgage financing in respect of the houses built under the above-mentioned agreements under the National Housing Act, see (a) above, through the Manufacturers Life Insurance Company. The plans and specifications were approved by the Manufacturers Life Insurance Company and Central Mortgage and Housing Corporation as joint mortgagees.

3. The Bow River Construction Company of Calgary was approved as a borrower under the National Housing Act by the Manufacturers Life Insurance Company and Central Mortgage and Housing Corporation as joint mortgagees.

4. Reports obtained on the Bow River Construction Company at the time the Integrated Housing agreements and the National Housing Act loans were approved indicated that the company was in a sound financial position and would be able to carry the project to a successful conclusion.

Questions

IRRIGATION—PRAIRIE PROVINCES

Mr. Probe:

1. What is the estimated number of acres of land in each of the provinces of Alberta, Saskatchewan and Manitoba that have been supplied with potential irrigation through water storage by P.F.R.A. since its inception?
2. What estimated acreages in each of the above provinces have had irrigation facilities authorized to date which are not finally completed?

Mr. McCubbin:

1. Alberta, 123,097; Saskatchewan, 110,461; Manitoba, 656·5.

2. Alberta, 527,500; Saskatchewan, 18,000; Manitoba, 120.

Includes 500,000 acres at the St. Mary-Milk river project where reservoir and main canal construction is now in progress.

MONTREAL-COCHRANE RAILWAY SERVICE

Mr. Caouette:

1. Have any requests been made to the Department of Transport concerning the improvement of the railroad, passenger trains and the railway service between Montreal and Cochrane, via Abitibi?
2. If so, from whom and when?
3. Has any action been taken by the department in this connection and what steps are being taken to make such improvements?

Mr. Chevrier:

1. No.

2. Answered by No. 1.

3. The board of transport commissioners advise that since early last year the board has been dealing with the C.N.R. regarding the conditions in this area, that certain improvements recommended have been effected, and that the situation is being given further study by the board with the object of bringing about satisfactory railway conditions to cope with the rapid development throughout this section of the country.

INCREASES IN FREIGHT RATES

Mrs. Strum:

1. On what date in 1948 were the first increases in freight rates officially authorized?
2. What other increases have taken place since then?
3. What categories do these increases cover?
4. What items are included in express charge increases, and increases in passenger rates on Pullman sleeping car accommodation?
5. What dates did these increases occur?
6. What was the amount of increase in each case?
7. On whose authority were these increases permitted?

Mr. Chevrier:

1. In 1948 the first and only general freight rate increase was authorized on March 30, 1948, by the board of transport commissioners. The tariffs affected were "standard" and "special."

2. No other increases which required the prior authorization of the board of transport commissioners. The railways, however, are constantly adjusting their tariffs filed with the board pursuant to the Railway Act to meet changing conditions.

3. Answered by 2.

4. (a) Some express rates to meet competition of highway transport were increased on September 15, 1948, and cover a large variety of commodities.

(b) Sleeping and parlour car fares.

5. (a) Answered by 4 (a).

(b) January 15, 1949.

6. (a) 15 per cent.

(b) Approximately 25 per cent.

7. No authority was required. Such rates and fares are lower than the "standard" rates and fares and, therefore, were filed in accordance with the provisions of sections 332 and 335 of the Railway Act.

TAXATION, 1929-1948—COLLECTIONS AND PERCENTAGE OF NATIONAL INCOME

Mr. Fair:

1. What amount has been collected in taxes each year 1929/30 to 1947/48?
2. What percentage of the national income is represented each year by such taxes?

Mr. McIlraith:

1. Dominion government tax revenues for the fiscal years 1929-1930 to 1947-1948 were as follows:

Fiscal Year	Dominion Government Tax Revenues (Millions of Dollars)
1929-30	378·9
1930-31	296·7
1931-32	275·2
1932-33	254·4
1933-34	272·1
1934-35	304·7
1935-36	317·3
1936-37	386·6
1937-38	448·7
1938-39	435·7
1939-40	468·3
1940-41	778·2
1941-42	1,360·9
1942-43	2,066·7
1943-44	2,436·8
1944-45	2,154·6
1945-46	2,202·4
1946-47	2,427·7
1947-48	2,452·1

Source: 1929-30 to 1934-35—Royal commission on dominion provincial relations—public accounts inquiry.

1935-36 to 1947-48—Dominion public accounts.

2. Dominion government tax revenues as a percentage of the national income for the years 1929-48 are given in the following table:

Dominion Government Taxes as a Percentage of National Income
(Millions of dollars)

Year	Direct Personal Taxes (1)	Direct Corporation Taxes (2)	Indirect Taxes (3)	Total Dominion Taxes (4)	Net National Income (5)	Dominion Taxes as a Percentage of National Income (6)
1929	28·5	44·8	318·4	391·7	4,689·0	8·4
1930	27·7	37·3	231·5	296·5	4,190·0	7·1
1931	25·7	31·1	218·6	275·4	3,261·0	8·4
1932	27·7	26·5	196·7	250·9	2,582·0	9·7
1933	30·8	34·0	214·8	279·6	2,387·0	11·7
1934	26·9	50·3	242·0	319·2	2,820·0	11·3
1935	35·0	60·7	239·0	334·7	3,117·0	10·7
1936	37·7	76·0	289·1	402·8	3,446·0	11·7
1937	42·9	99·0	334·2	476·1	4,017·0	11·9
1938	49·5	86·4	301·9	437·8	3,986·0	11·0
1939	48·7	108·1	310·2	467·0	4,289·0	10·9
1940	76·4	304·2	453·4	834·0	5,255·0	15·9
1941	232·6	503·3	673·2	1,409·1	6,594·0	21·4
1942	452·0	652·5	750·4	1,854·9	8,382·0	22·1
1943	649·6	665·3	888·1	2,203·0	9,093·0	24·2
1944	793·3	625·9	922·4	2,341·6	9,712·0	24·1
1945	761·0	628·1	781·7	2,170·8	9,772·0	22·2
1946	737·0	697·1	956·6	2,390·7	9,765·0	24·5
1947	728·8	746·4	1,136·2	2,611·4	10,981·0	23·8
1948	752·0	662.2	1,085·3	2,499·5	12,802·0	19·5

Note: Adjustments have been made wherever possible to place the taxation figures on a calendar year basis and to make them consistent with other national income data. It should be noted that this comparison has limitations because national income does not include indirect taxes or government transfers to persons.

DEVALUATION OF THE CANADIAN DOLLAR

Mr. Cockeram:

Is the government prepared to give early consideration and decision to (a) allowing the Canadian dollar to find its own level in relation to other currencies; (b) devaluing the Canadian dollar in accordance with the Bretton Woods agreement?

Mr. Belzile: It is not customary to forecast policy in giving answers to questions on the order paper.

The government's policy in regard to exchange and monetary matters has been stated from time to time in the House of Commons.

TORONTO DISTRICT—STEAM SUBURBAN SERVICE

Mr. Church:

What has been done since the last session of the house to give the Toronto district a steam suburban service by both railways, similar to that afforded Montreal and suburbs?

Mr. Chevrier:

In so far as the Board of Transport Commissioners for Canada is concerned there have been no further developments regarding the Toronto suburban service situation since the last session.

An answer appearing in *Hansard* of February 18, 1948, pointed out that over the lines of the Canadian National Railways commutation fares were available as follows:

(a) between Toronto and Oakville and intermediate points,

(b) between Toronto and Weston and intermediate points,

(c) between Toronto and Port Union and intermediate points,

(d) between Toronto and Downsview and intermediate points.

NATIONAL HOUSING ACT—FARM LOANS—SLUM CLEARANCE, ETC.

Mr. Nicholson:

1. How many applications for farm loans have been received under the National Housing Act?

2. How many farm houses for which loans have been approved were completed by December 31, 1948?

3. In what areas have grants for slum clearance been approved?

4. How much money has been appropriated for slum clearing projects?

5. In what centres have land assembly projects been approved under the N.H.A.?

6. How many lots will be developed in each project?

Questions

7. What financial obligations have been made in connection with each project?
8. How many limited dividend companies have applied for loans for the construction of low rental housing?
9. How many units have been completed?
10. What has been the average cost per unit?
11. How many applications for housing loans to co-operatives have been approved?
12. What is the average loan per unit?

Mr. Winters:

1. To date 12 applications for farm housing loans have been received by this corporation.

2. One farm house financed under the National Housing Act, 1944, was completed by December 31, 1948.

3. To date one grant for slum clearance has been approved under the provisions of section 12 of the National Housing Act, the project being Regent Park (North) located in the city of Toronto.

4. Section 12(4) provides for statutory appropriation in the amount of $20 million. The grant for slum clearance in connection with the Regent Park project mentioned above will be $1,150,000.

5. Under the provisions of section 11B of the National Housing Act, land assembly projects have been approved in Montreal, Ottawa, Toronto, Burlington, St. Boniface, Edmonton and Vancouver.

6.

Location	Name of project	No. of lots provided
Montreal—		
	Mount Royal Gardens	147
Ottawa—		
	Nepean Township	91
Toronto —		
	Yorkminster	403
	Bathurst-Lawrence	650
Burlington—		
	Orchard Park	154
St. Boniface—		
	Norwood Golf Club	206
Edmonton—		
	Parkdale	35
Vancouver—		
	Hastings Townsite	96
	Total	1,822

7. Under the provisions of section 11B of the National Housing Act, the corporation guarantees a lending institution sponsoring a land assembly project a return from the sale of lots equal to the lending institution's total investment plus 2 per cent interest. The estimated total investment by lending institutions now stands at $2,201,495. In the two projects completed to date the revenue from the sale of lots has been sufficient to provide the necessary return to the sponsor plus a small balance to the corporation.

[Mr. Nicholson.]

8. Seventeen limited dividend companies (or companies which were prepared to set up limited dividend companies) have applied for loans under section 9 of the National Housing Act.

9. 3,689 units have been completed under section 9 of the National Housing Act.

10. This information is not available as loans made under the provisions of section 9 of the act are based on lending values and not on costs.

11. None.

12. See answer to number 11.

NATIONAL FILM BOARD—TRAVELING EXPENSES

Mr. Fraser:

1. What expenses for traveling, hotel, meals, etc., were paid by the national film board during the year 1948?
2. Were any expenses incurred by the national film board in countries outside of Canada?
3. If so, in what countries were these expenses incurred; how much was spent in each country and for what purpose?
4. Were any such expenses referred to in the preceding question charged to Canada's contribution to UNRRA?
5. If so, how much?

Mr. Winters:

1.

Hotels, meals, taxis, etc.	$ 89,809.01
Transportation	10,283.79
Entertainment	1,550.98
Moving Expenses	1,840.20

2. Yes.

3. (a) United States, United Kingdom, France and Australia.

(b) United States—$5,059.44—More than half this amount (approximately $3,000.00) was spent in conducting a survey of the United States to establish non-theatrical distribution outlets for the distribution of travel films. Sixty-two outlets were established and are now in operation. The balance of this sum was expended on normal travel incurred in the United States in connection with national film board theatrical, non-theatrical and television distribution.

United Kingdom—$934.96—Part of this amount was traveling expenses of a visit to the United Kingdom in May and June by the director of distribution on a liaison visit to inspect distribution services. The balance was traveling expenses of distribution officers in connection with servicing Canadian missions in the United Kingdom and maintaining distribution outlets.

France—$764.14—This amount was spent on visits of the director of distribution and London distribution officer in connection with contacting film representatives of the French government and developing commercial outlets for national film board productions.

4. No.

5. Nil.

Questions

LOAN OF $700 MILLION TO UNITED KINGDOM—BRITISH-HELD CANADIAN SECURITIES

Mr. Jackman:

1. What was the balance owing at the end of each calendar year to date on the $700 million interest-free loan granted by Canada to the United Kingdom?
2. What is the balance now owing?
3. What is the amount realized from British-held Canadian securities sold by the United Kingdom nationals which has not been applied in reduction of the loan?
4. For what other purposes, in what amounts, and on what dates have proceeds from the sale of the British-held Canadian securities been applied?

Mr. Belzile:

1.

December 31, 1942.....	$700,000,000.00
December 31, 1943.....	682,291,685.40
December 31, 1944.....	625,140,877.30
December 31, 1945.....	561,279,709.22
December 31, 1946.....	471,910,126.06
December 31, 1947.....	367,929,816.36
December 31, 1948.....	304,086,025.90

2. $304,086,025.90.

3. $ 15,969,965.00.

4. (1) For new direct investments including the development of new enterprises or companies in Canada or the expansion of United Kingdom owned enterprises in Canada.

(2) To finance an order for 22 Canadair "North Star" aircraft for British Overseas Airways Corporation.

(3) (a) For purposes as in subsection (1) above: March 1 to May 31, 1947, $563,100; June 1 to August 31, 1947, $1,139,455; September 1, 1947 to November 30, 1948, $9,267,410.

(b) For purposes as in subsection (2) above: July 30, 1948—First payment to Canadair, $5,000,000.

FOREIGN EXCHANGE CONTROL BOARD—PROFIT OR LOSS ON OPERATIONS

Mr. Jackman:

What has been the profit or loss on operations of the foreign exchange control board in each of the years since its inception?

Mr. Belzile:

Exchange Fund Account
Excess of Revenue over Expenditure

Sept. 15, 1939 to Dec. 31, 1940	$ 8,915,458.16
1941	9,265,284.11
1942	11,225,153.49
1943	9,414,510.22
1944	6,659,997.14
1945	3,841,249.80
1946	1,658,026.80
1947	10,832,697.64

Fuller details regarding revenues and expenditures are available in the annual reports of the foreign exchange control board. The report for the year 1946 also gives details of the revaluation of assets consequent upon the change in exchange rates on July 5, 1946.

GROSS NATIONAL PRODUCTION—PRICE LEVELS AND PRODUCTIVITY

Mr. Coldwell:

1. In arriving at the forecast of the gross national production for 1949 given to the house by the Prime Minister on January 28, 1949, what percentage increase in the price levels was taken into account, and what percentage increase in productivity was taken into account?
2. What is the government's estimate of investment income in Canada for 1948?
3. What is the government's forecast of investment income in Canada for 1949?

Mr. McIlraith:

1. The estimate of gross national production for 1949 takes into account an over-all price level about 5 per cent higher on the average in 1949 than in 1948. At the end of 1948 prices were almost 4 per cent above the average level during 1948. Thus the estimate assumes a very slight further rise in the general price level.

Allowance was made for an over-all improvement in productivity of 2 per cent.

2. The estimate of investment income in Canada for 1948 is $2·6 billion.

3. The estimate of investment income in Canada for 1949 is $2·65 billion.

WHEAT—DELIVERIES UNDER UNITED KINGDOM AGREEMENT

Mr. Ross (Souris):

How many bushels of 1948-49 wheat crop have been sold to date, for delivery to countries other than Britain, under the United Kingdom-Canada agreement?

Mr. McIlraith:

Country	Bushels
Malta	871,105

NATIONAL FILM BOARD—STILLS—EXPENDITURES

Mr. Fraser:

1. What was the total amount paid the employees of the national film board still department during the year 1948?
2. Was any amount paid to casual employees? If so, how much?
3. (a) What was the total cost of all materials, etc., bought for the still department during 1948? (b) What was the value of materials carried over from 1947 and used by still department during 1948?
4. What is the total number of square feet of floor space used by the still department of the national film board, and in what buildings is this space?
5. How many telephones are used in the still department?
6. Does the still department have use of any national film board trucks or cars?
7. What was the total amount of (a) travel expenses; (b) hotel expense, if any, for the still department for 1948?
8. If any hotel expense, what was total amount?

Mr. Winters:

1. $55,152.64, stills division of photo services.

2. None.

Questions

3. (a) $24,826.58; (b) $2,206.50.

4. 4,742 square feet in building at 225 Sparks street.

5. Five telephones are listed for use of the stills division staff.

6. No trucks or cars are assigned for the use of the stills division. Occasionally on local assignments photographers make use of national film board vehicles if such vehicles are available.

7. (a) $4,287.17; (b) $6,476.00, including meals.

8. See answer to No. 7.

NATIONAL FILM BOARD—STILLS—BLOWUPS AND COMPOSITES

Mr. Fraser:

1. Did the still department of the national film board or any other department of the government produce any blowup or composite pictures of men in public life (present or past members of parliament), during the years 1947-1948?

2. If so, what are the names of such men?

3. What size were these blowups, or composites, and at what price were they sold?

Mr. Winters:

1. The term "blowups" is usually considered to mean photo murals which are produced by the national film board in sizes ranging from 24" x 36" up to 10' x 12'. Such photo murals are made for display exhibits or for decoration of large wall surfaces. No photo murals or composites in these sizes have been made by the national film board of men in public life.

2. Answered by No. 1.

3. Answered by No. 1.

UNEMPLOYMENT—PUBLIC WORKS

Mr. Coldwell:

1. Has the government any plans for public works projects or any other projects ready to put into operation if and when serious unemployment should develop in Canada?

2. If so, how long would it take for such plans to be put into operation?

3. What is the estimated number of workers who could be employed on such projects within (a) one month; (b) six months; (c) one year?

4. What types of projects do these plans cover?

5. What regions or provinces are included in these projects?

Mr. Winters:

1. Yes.

2. The normal time to let contracts, about six weeks.

3. For a construction year of 300 working days with summer peak employment:

(a) At the site itself: one month, 1,500 skilled, 1,000 unskilled; six months, 10,000 skilled, 7,000 unskilled; one year, 3,000 skilled, 2,000 unskilled.

(b) Off the site, in fabrication of materials and equipment, 15,700 industrial workers.

[Mr. Winters.]

4. (a) Highways, roads, streets.
(b) Public buildings and grounds.
(c) Residential construction.
(d) Bridges, etc.
(e) Docks, wharves, piers, etc.
(f) Rivers, canals, dredging, etc.

5. All provinces, the Yukon and Northwest Territories.

DEPARTMENT OF PUBLIC WORKS—SUSPENSION OF EMPLOYEES

Mr. Coldwell:

1. Have any employees of the Department of Public Works in the city of Ottawa been temporarily suspended from work since January 1, 1948? If so, how many?

2. For what different reasons have employees of the Department of Public Works in the city of Ottawa been temporarily suspended since January 1, 1948, and how many employees have been temporarily suspended during that time for each reason?

Mr. Fournier (Hull):

1. Since January 1, 1948, five employees were temporarily suspended from duty.

2. Two were suspended for dereliction of duty resulting in damage to government property. Two were suspended for being under the influence of alcohol while on duty. One was suspended for using obscene language when addressing a female employee while on duty.

ACCIDENT STATISTICS

Mr. Church:

1. What method is used by the government in collecting statistics as to persons killed or injured by motor car accidents on the highways, drowning, level crossing accidents, fires in homes, and other causes?

2. Is this information collected by the federal bureau of statistics or by the provinces and municipalities?

Mr. McIlraith:

1. (a) Statistics on fatal accidents are compiled by the dominion bureau of statistics, through the co-operation of the provincial vital statistics departments, from death registrations, on which the cause of death is certified by the coroner, attending physician, or other medical authority. All deaths where an accident was involved are classified according to the international list of causes of death and in addition to other cross-classifications are tabulated by sex and place of accident (whether in the home or in industry).

(b) In addition, each steam and electric railway reports annually to the dominion bureau of statistics, accidents in which the railway is involved and in which persons are killed or injured. The form on which these accidents are reported shows the number of persons killed or injured at (1) level crossings, (2) in which motor vehicles are involved, and (3) other headings not pertinent to this question. The dominion bureau of statistics also

collects motor vehicle accident statistics from the authorities in each province having jurisdiction over such statistics. These show the number of persons killed or injured in motor vehicle accidents.

(c) As is evident, some of the data as to persons killed are collected from three sources, and of persons injured from two sources.

2. Answered by No. 1.

AJAX, ONT.—PURCHASE OF LAND BY INDUSTRIAL FIRMS

Mr. Williams:

1. How many industrial firms have taken locations in Ajax since 1945?
2. What are their names?

Questions

3. In what country is the head office of each located?
4. What is the nature of production of each?
5. What is the anticipated number of employees in each?
6. Have these firms made an outright purchase of the location? If so, how much did each firm pay for (a) land; (b) buildings; (c) equipment?
7. What was the original cost to the federal treasury for the following purchased by these firms (a) land; (b) buildings; (c) equipment?
8. How many industrial firms are in negotiation for location space in Ajax additional to those contained in number 1 hereof?

Mr. Winters:

1. Eighteen.

2, 3, 4, 5, 6 and 7. See schedule below.

8. Three.

CENTRAL MORTGAGE AND HOUSING CORPORATION

ANSWERS to QUESTIONS 2, 3, 4, 5, 6 and 7

Answer No. 2	Answer No. 3	Answer No. 4	Answer No. 5	Answer No. 6	Answer No. 7
Storage space only					
Automotive Hardware Limited	Canada	Storage only	Storage only	Rental only	N.A.
Canada Dry Ginger Ale Limited	"	"	"	"	"
Canadian General Electric Co.	"	"	"	"	"
Gross Machinery & Supply Co.	"	"	"	"	"
Kelly and Cracknell Limited	"	"	"	"	"
LaSalle Builders Supply Ltd.	"	"	"	"	"
Massey-Harris Co. Limited	"	"	"	"	"
Mill Valley Lumber Co.	"	"	"	"	"
Novelty Shoe Company	"	"	"	"	"
Reliable Toy Co., Limited	"	"	"	"	"
Teletronics Corporation Ltd.	"	"	"	"	"
Trane Co. of Canada Ltd.	"	"	"	"	"
Visco Petroleum Products	"	"	"	"	"
Industrial space					
Dominion Viscose Products Ltd.	Canada	Cellulose products	100	Yes, land..$ 3,000	Approx.....$ 300
Dowty Equipment	England	Landing gear	120	Rental only	N.A.
Ideal Steel Products Incorp.	U.S.A.	Electro plating	70	Yes, bldg.. 13,000 Lands 7,000	Bldgs..... 51,996 Lands (approx.) 675
Pye Canada Limited	England	Radio and Television	200	Yes, Bldgs 8,500 Land. 1,000	Bldg..... 38,360 Land..... 122
Sheppard-Cardiff Limited	England	Furniture	30	Rental only (No equipment in any instance).	N.A. (No equipment in any instance).

PENITENTIARIES—REPORT OF ROYAL COMMISSION

Mr. McKay:

1. How many inmates are confined in each of the federal penitentiaries at present?
2. What steps have been taken by the government to implement the recommendations of the 1938 report of the royal commission to investigate the penal system?

Mr. Garson:

1. Dorchester, 507; St. Vincent de Paul, 1,131; Kingston, 750 (males), 75 (females); Collin's Bay, 293; Manitoba, 388; Saskatchewan, 408; British Columbia, 431.

2. Steps taken between 1938 and 1947 to implement the recommendations of the royal commission to investigate the penal system of Canada are set forth in detail at pages 48 to 56 of the annual report of the superintendent of penitentiaries for the fiscal year ending March 31, 1947. Subsequent steps taken are set forth in the annual report of the commissioner of penitentiaries tabled in the House of Commons.

OTTO STRASSER

Mr. Thatcher:

1. Is Otto Strasser at present living near Bridgetown, Nova Scotia?
2. If so, are his activities in any way under the supervision of the Royal Canadian Mounted Police?
3. Has he at any time applied for Canadian citizenship papers?
4. Has he recently asked Canadian authorities for a "Certificate of Identity" or other document, which would permit his exit from the country?
5. If so, have Canadian authorities issued such a certificate?

Questions

6. If the department was asked for such a certificate and refused it, what were their grounds?

7. Has the Canadian government received any recent representations from the United States occupation authorities in Germany regarding Otto Strasser?

8. If so, of what nature?

Mr. Lapointe:

1. Yes.
2. No.
3. No.
4. Yes.
5. No.
6. It has been refused because the countries concerned refused to admit him.
7. No.
8. Answered by No. 7.

WHEAT—GRAIN ELEVATOR AT SASKATOON

Mr. Knight:

1. What is the total capacity of the dominion government grain elevator at Saskatoon?

2. What amount of wheat and other grains is in store there as of this date?

3. What was the monthly average amount of wheat in storage in (a) 1947, and (b) 1948?

4. How much wheat was (a) received, and (b) shipped out of this elevator in 1948?

5. How much wheat was routed from the elevator to Churchill, Manitoba, in 1948?

6. Of how many people does the permanent staff consist and what was the total payroll in 1948?

Mr. McIlraith:

1. 5,500,000 bushels.

2. February 15, 1949: Wheat, 1,832·40 bushels; oats, 3,046·06 bushels; barley, 134·08 bushels; flax, 18,022·49 bushels; rapeseed, 6,923,031 pounds.

3. (a) 1947, 24,136·00 bushels; (b) 1948, 34,367·00 bushels.

4. (a) 52,971·50 bushels; (b) 58,711·40 bushels.

5. Nil.

6. 26, $52,755·63.

EXPENDITURES BY CANADIANS ON VARIOUS COMMODITIES

Mr. Nicholson:

How much has been spent by Canadians in each of the last five years for the following commodities (a) milk; (b) bread; (c) soft drinks; (d) beer; (e) wine; (f) spirits; (g) tobacco?

Mr. McIlraith:

Note: Retail values are not available. All 1947 figures are preliminary, subject to revision.

	1943	1944	1945	1946	1947
	$ 000's	$ 000's	$ 000's	$ 000's	$ 000's
(a) Total value of fluid milk and cream f.o.b. at plant (includes pasteurizing and bottling costs)					
Total value of milk and cream otherwise used	142,756	155,977	164,930	187,943	219,937
Value of farm home consumed and fed to livestock	39,468	42,426	44,832	50,504	56,602
Value of fluid milk and cream at plant	103,288	113,551	120,098	137,439	163,335
(b) Production of bread					
Selling value at bakery	68,899	70,252	73,769	79,656	79,139
(c) Production of carbonated beverages					
Selling value at works	36,785	40,738	34,598	37,057	46,000
(d), (e) and (f)					
Personal expenditure (taken from gross national expenditure estimates, prepared by national income section D.B.S.)					
Alcoholic beverages (Beer, spirits and wine)	306,749	337,755	418,229	500,361	536,000
(g) Tobacco	227,058	227,441	280,913	327,919	333,959

ACTS RESCINDED BY ORDER IN COUNCIL, 1947-48

Mr. Isnor:

How many, if any, acts passed by parliament during the session of 1947-48 were rescinded by order in council?

Mr. St. Laurent: None.

[Mr. Thatcher.]

CANADIAN BROADCASTING CORPORATION—PURCHASE OF FORD HOTEL, MONTREAL

Mr. Henderson:

1. What was the purchase price paid by the Canadian Broadcasting Corporation for the Ford Hotel, Montreal?

2. At the time of such purchase, what was the assessed value of the land and buildings?
3. How much has been paid and is payable for renovation and repair?
4. With respect to structural alterations (a) What is the estimated cost of such alterations; (b) what is the name of the engineer or general contractor executing them; (c) was the contract for structural alterations let by competitive tender or private notification; (d) was the estimate for such alterations made before or after the signing of the purchase agreement?
5. Through what agent was the building purchased?
6. Was such property, to the knowledge of the Canadian Broadcasting Corporation, previously offered for sale?
7. What was the amount of such offer and was the faulty condition of the building structure a factor in such offer being refused?

Mr. McCann:

1. $2,050,000 for hotel building together with adjacent building, plus $150,000 to compensate leaseholders in order to take possession of the space they occupied as required.

2. Land, $92,950; buildings, $613,050; total, $706,000.

3 and 4 (a). Cost of transformation and installations for broadcasting purposes, including all studios, but not including electronic equipment, $1,162,050. The building structure is in very good condition, not faulty, and therefore requires no repairs.

4. (b) Albert Deschamps, contracting engineer.

(c) On a fixed fee basis to contractor with upset price. All subcontracts by competitive tender.

(d) Before.

5. No agent.

6. No information.

7. See above.

ASSISTANT POSTMASTERS—APPOINTMENTS, ETC.

Mr. Robinson (Bruce):

1. Are assistant postmasters appointed by or through the civil service commission?
2. If not, how are such appointments made?
3. Is length of service as helper and/or assistant postmaster taken into consideration when salary or grade is determined?
4. How are salary rates for assistant postmasters arrived at?
5. Are assistant postmasters given statutory increases?
5. If so, on what basis?
7. Is overtime pay or bonus allowed assistant postmasters when compelled to put in extra hours owing to (a) trains being late; (b) rush seasons?

Mr. Bertrand (Laurier):

1. In staff post offices, postmasters are given supervisors to assist them and they are promoted to these positions through open competitions held by the civil service commission. At other offices, assistants are appointed by the Post Office Department.

2. Answered by No. 1.

3. Yes.

Questions

4. For staff offices, according to salary scales fixed by the civil service commission. For other offices, according to the revenue of the office.

5. Yes, until they reach the maximum of their class.

6. For meritorious services, either $120 or $60 per annum as the case may be, according to class of supervisors or assistants.

7. Overtime payments are made only to supervisory postal clerks, postal supervisors grade 1 and postal supervisors grade 2. Postal supervisors grade 1 attached to letter carrier staffs are paid only for time worked on statutory holidays and for overtime performed during the Christmas rush.

Other postal supervisors grade 1, supervisory postal clerks and postal supervisors grade 2 are compensated only for overtime performed during the Christmas rush.

Supervisory officers in ranks higher than postal supervisor grade 2 receive no compensation for overtime.

SOLDIER SETTLERS—INDEBTEDNESS

Mr. Fair:

1. As at December 31, 1948, how many soldier settlers were in debt to the soldier settlement board?
2. What was the amount of the indebtedness at that date?

Mr. Mutch:

1. 2,545.

2. $2,668,611.

FORT WILLIAM ARMOURY

Mr. McIvor:

1. What price was paid by the government for the Prince of Wales rink in the city of Fort William?
2. What did it cost the Department of National Defence or the government to convert the said rink into an armoury?

Mr. Baker:

1. $15,000.

2. $85,750.

HOUSING ENTERPRISES OF CANADA LIMITED

Mr. Murphy:

1. Did Central Mortgage and Housing Corporation take over or acquire all or part of Housing Enterprises of Canada Limited. If so, what was the consideration?
2. Was the stock or ownership of Housing Enterprises of Canada Limited partly or wholly owned or held by loaning institutions? If so, give particulars including stock or holdings of each loan institution, and the amount paid in by such loan institution for such stock and/or ownership?
3. Are these houses now available to veterans on purchase agreements? If not, when will they be available?

Mr. Winters:

1. Central Mortgage and Housing Corporation purchased at par all the outstanding shares of Housing Enterprises of Canada Limited, and redeemed all the debentures

Questions

issued by this company. The cost of the shares was $750.00, and the debentures were redeemed at their face value viz. $3,735,000.00 plus accrued interest at 2½% per annum amounting to $7,781.17.

2. The whole of the share capital, and all debentures were held by lending institutions. The holdings and the amounts paid in were as shown on the attached schedule.

3. These houses are not available for sale at the present time. Preliminary arrangements towards their sale are in hand and it is anticipated that some of the projects will be available for sale within three months.

Schedule of shares and debentures of Housing Enterprises of Canada Limited held by lending institutions

Life Insurance Company	Shares No.	Shares Value	Debentures
Aetna Assurance Company	..	$ ..	$ 29,000.00
Canada Life Assurance Company	67	67.00	250,000.00
Commercial Life Assurance Company	1	1.00	4,000.00
Confederation Life Association	41	41.00	150,000.00
Continental Life Insurance Company	6	6.00	21,000.00
Crown Life Insurance Company	18	18.00	63,000.00
Dominion Life Assurance Company	24	24.00	85,000.00
Dominion Mortgage and Investments Corporation	1	1.00	....
Dominion of Canada General Insurance Company	1	1.00	4,000.00
T. Eaton Life Assurance Company	5	5.00	19,000.00
Empire Life Insurance Company	5	5.00	19,000.00
Equitable Life Insurance Company of Canada	6	6.00	21,000.00
Equitable Life of United States	..	..	11,000.00
Excelsior Life Insurance Company	14	14.00	55,000.00
Fidelity Life Assurance Company	1	1.00	4,000.00
Great-West Life Assurance Company	80	80.00	300,000.00
John Hancock Mutual Life Insurance Company	1	1.00	4,000.00
Imperial Life Assurance Company of Canada	38	38.00	145,000.00
Industrial Life Insurance Company	2	2.00	7,000.00
La Laurentienne Compagnie D'Assurance sur la Vie	1	1.00	4,000.00
London Life Insurance Company	80	80.00	300,000.00
Loyal Protective Life Insurance Company	1	1.00	4,000.00
Manufacturers Life Insurance Company	47	47.00	175,000.00
Maritime Life Assurance Company	1	1.00	4,000.00
Metropolitan Life	..	..	435,000.00
Monarch Life Assurance Company	8	8.00	29,000.00
Montreal Life Insurance Company	5	5.00	19,000.00
Mutual Life Assurance Company of Canada	106	106.00	400,000.00
Mutual of New York	..	..	36,000.00
National Life Assurance Company	7	7.00	27,000.00
New York Life	..	..	100,000.00
North American Life Assurance Company	33	33.00	125,000.00
North British & Mercantile Insurance Company Limited	1	1.00	4,000.00
Occidental Life Insurance Company of California	1	1.00	4,000.00
Phoenix Assurance Company Limited	1	1.00	4,000.00
Les Prevoyants du Canada	1	1.00	4,000.00
Prudential Insurance Company of America	1	1.00	270,000.00
Prudential Assurance Company of England Limited	4	4.00	15,000.00
Royal Insurance Company Limited	4	4.00	15,000.00
The Royal Guardians	1	1.00	4,000.00
La Sauvegarde Compagnie D'Assurance sur la Vie	4	4.00	15,000.00
Sovereign Life Insurance Company	5	5.00	19,000.00
Standard Life Assurance Company	8	8.00	27,000.00
Sun Life Assurance Company of Canada	116	116.00	435,000.00
La Survivance Compagnie Mutuelle D'Assurance Vie	1	1.00	4,000.00
Toronto Mutual Life Insurance Company	1	1.00	4,000.00
Travelers Assurance Company	..	..	58,000.00
Western Life Assurance Company	1	1.00	4,000.00
Total	750	$750.00	$3,735,000.00

PUBLIC DEBT

Mr. Thatcher:

1. During the calendar year 1948, by what amount was the over-all Canadian federal debt reduced?

2. As of December 31, 1948, what was the total Canadian debt?

Mr. Belzile:

	Total liabilities
Dec. 31, 1947	$17,358,565,971
Dec. 31, 1948	17,278,514,917
	— 80,051,054
	Active assets
Dec. 31, 1947	$ 4,998,800,667
Dec. 31, 1948	5,519,834,475
	+ 521,033,808
	Net debt
Dec. 31, 1947	$12,359,765,304
Dec. 31, 1948	11,758,680,442
	601,084,862

CHARTERED BANKS—SAVINGS DEPOSITS

Mr. McCuaig:

1. What were the amounts of savings deposits in the chartered banks of Canada as at December 31, 1948, of (a) $1,000 or less; (b) $1,000 to $5,000; (c) $5,000 to $25,000; (d) $25,000 to $100,000; (e) in excess of $100,000?

2. What was the number of deposits in each category?

3. What was the aggregate amount in each category?

4. What was the average deposit in each category?

Mr. Belzile:

The latest return of the chartered banks of Canada as at September 30, 1948, shows deposits payable after notice, as follows:

1. (a) $953,101,895; (b) $1,605,141,694; (c) $867,993,253; (d) $228,122,714; (e) $387,117,418.

2. (a) 5,718,549; (b) 777,650; (c) 103,426; (d) 5,297; (e) 1,030.

3. Answered by No. 1.

4. (a) $166.67; (b) $2,064.09; (c) $8,392.41; (d) $43,066.40; (e) $375,842.15.

IMMIGRATION, 1946-48—NUMBERS OF ROMAN CATHOLICS AND PROTESTANTS

Mr. McCuaig:

1. How many (a) males; (b) females, migrated to Canada in each of the years 1946, 1947 and 1948?

2. How many from each country?

3. How many of these were (a) Roman Catholic; (b) Protestant?

Mr. MacKinnon:

1.

	(a) Males	(b) Females
1946	20,483	51,236
1947	33,435	30,692
1948	67,090	58,324

Questions

2. See statement below.

3. No statistical record is kept of religious denominations of immigrants.

No. 2—Country of Last Permanent Residence:

	1946	1947	1948
Africa (Br.)	115	90	119
Africa (not Br.)	69	45	92
Australia	233	319	453
Austria	132	25	614
Belgium	850	988	1,247
Bermuda	53	54	45
Bulgaria	1	8	81
Central America	17	22	18
China	118	160	338
Czechoslovakia	168	309	1,898
Denmark	30	170	657
Eire	468	406	1,044
England	40,812	27,261	30,450
Esthonia	4	257	1,752
Finland	4	38	137
France	354	539	1,326
Germany	486	267	2,475
Greece	40	635	669
Holland	2,234	2,738	6,997
Hungary	24	116	1,374
India	123	327	258
Ireland, Northern	643	955	1,576
Italy	49	78	3,204
Japan	12	24	9
Jugoslavia	12	147	3,419
Latvia	3	429	2,987
Lesser British Isles	34	65	85
Lithuania	2	1,225	4,217
Malta	..	..	723
Mexico	38	58	58
Newfoundland	2,592	2,973	3,016
New Zealand	96	198	257
Norway	175	181	354
Palestine	11	59	151
Poland	398	4,655	27,741
Portugal	50	9	17
Roumania	7	59	1,368
Russia	10	550	4,414
St. Pierre and Miquelon	11	9	22
Scotland	7,954	6,668	9,886
South America	143	181	351
Spain	65	5	20
Sweden	17	100	362
Switzerland	15	162	349
Syria	2	24	49
Ukraine	1	19	75
United States	11,474	9,444	7,393
Wales	1,073	602	683
West Indies (Br.)	394	352	389
West Indies (not Br.)	46	54	86
Others	57	68	109
Totals	71,719	64,127	125,414

Questions

INDICTMENT OF NAZI LEADERS FOR WAR CRIMES

Mr. McCullough (Assiniboia):

1. How many German nazi leaders were taken into custody under indictment of war crimes?
2. How many of these were sentenced?
3. What was the sentence in each case?
4. How many countries participated at these trials?
5. Under what authority were these courts set up?
6. Were any nations barred?
7. If so, what nations?

M. Lapointe:

1. Twenty-four.

2. Nineteen.

3. Hermann Wilhelm Goering, death by hanging; Rudolf Hess, imprisonment for life; Joachim von Ribbentrop, death by hanging; Wilhelm Keitel, death by hanging; Ernst Kaltenbrunner, death by hanging; Alfred Rosenberg, death by hanging; Hans Frank, death by hanging; Wilhelm Frick, death by hanging; Julius Streicher, death by hanging; Walter Funk, imprisonment for life; Karl Doenitz, ten years' imprisonment; Erich Raeder, imprisonment for life; Baldur von Schirach, twenty years' imprisonment; Fritz Sauckel, death by hanging; Alfred Jodl, death by hanging; Arthur Seyss-Inquart, death by hanging; Albert Speer, twenty years' imprisonment; Constantin von Neurath, fifteen years' imprisonment; Martin Bormann, death by hanging.

4. Four. (The governments of France, the U.S.S.R., the United Kingdom and the United States of America).

5. The London agreement of 8th August 1945, signed by the governments of France, the U.S.S.R., the United Kingdom and the United States of America.

6. Article 5 of the London agreement provides that "Any government of the United Nations may adhere to this agreement by notice given through the diplomatic channel to the government of the United Kingdom,..."

7. Answered by No. 6.

NATIONAL REVENUE—INCOME TAX—BUILDING AT BELLEVILLE, ONT.

Mr. Desmond:

1. What is the annual rental paid for the building occupied by the income tax branch of the Department of National Revenue at 311 Front Street North, Belleville, Ontario?
2. What services are supplied under this lease?
3. What is the term length of said lease?
4. How does this price compare with that paid in similar centres?

Mr. Fournier (Hull):

1. $18,300 per annum.

2. Lessor attends to all repairs, pays taxes and provides heating, cleaning, janitor service and toilet accommodation.

3. Ten years.

4. Price for this space is $1.50 a square foot per annum, while space leased for income tax purposes at Kingston and St. Catharines, where similar services are supplied by the lessor, costs $1.75 a square foot per annum.

[Mr. MacKinnon.]

IMMIGRATION—GERMAN NATIONALS—REJECTED APPLICATIONS

Mr. Winkler:

During the past year, how many applications to the Department of Immigration by Canadians for admission of relatives as immigrants from Europe have been refused because the proposed immigrants are German nationals?

Mr. MacKinnon: Information not available. No statistical record is kept of rejected applications made in Canada.

POLYMER CORPORATION AND IMPERIAL OIL—RATES OF PAY AND SECURITY BENEFITS

Mr. Murphy:

What is the difference between the compensation paid by Polymer Corporation of Canada Limited and the Imperial Oil Company Limited, by way of (a) rates of pay; (b) hospitalization, superannuation, pension and other security benefits?

Mr. McIlraith: Imperial Oil Limited is a privately-owned company and we have no information with respect to it; therefore, it will be impossible to answer the question.

QUESTIONS PASSED AS ORDERS FOR RETURNS

HOUSING—UNITS UNDER GOVERNMENT JURISDICTION—RENTAL RATES

Mr. Probe:

1. How many occupied units of wartime rental housing are owned by the Canadian government or Central Mortgage and Housing Corporation in each city of Canada, as of December 31, 1948?
2. What are the rental rates charged in each centre for each type of house?
3. What is the formula by which the amount of rent is decided for rented units of wartime housing?

Mr. Winters: Return tabled.

HOUSING—NIAGARA PENINSULA—ADVANCES TO PRIVATE CONTRACTORS

Mr. Lockhart:

1. Has the Central Mortgage and Housing Corporation advanced money on second mortgage security to private contractors engaged in the construction of homes in the Niagara peninsula?
2. If so, what is the maximum mortgage authorized on each home constructed?
3. What rate of interest is charged?
4. What are the names of private contractors in the Niagara peninsula who have been assisted financially by Central Mortgage and Housing Corporation?
5. Are homes so financed built according to National Housing Act specifications?
6. When offered for sale, are these homes advertised as being built under National Housing Act specifications?
7. Is a careful inspection made before the mortgage moneys are advanced by the Central Mortgage and Housing Corporation?

8. Have there been any instances where mortgage moneys have been withheld because of faulty workmanship?

9. If so, from what contractor or contractors has payment been withheld?

Mr. Winters: Return tabled.

NATIONAL HEALTH—FEDERAL GRANTS APPROVED AND AMOUNTS EXPENDED

Mr. Coldwell:

1. How much of the thirty million dollars in health grants announced on May 14, 1948, have been approved by the dominion government for expenditure by each of the provinces for each of the various types of grants?

2. How much of the thirty million dollars in health grants has been spent to date by each of the provinces on each of the various types of health grants.

Mr. Reid: To be tabled later this day.

FIRE FIGHTING EQUIPMENT

Mr. Knight:

1. Are there any fire engines presently being manufactured in Canada?

2. What amount of fire equipment was imported in 1948 from the United States?

3. What is the rate of tariff on such imported fire engines?

LEGAL SERVICES

Mr. Argue:

1. What sum of money was paid by the government of Canada in 1948 in fees for legal services?

2. Who were the recipients and what were the amounts of such payments?

3. What was the nature of services rendered in each case?

OLEOMARGARINE

Mr. Argue:

1. What companies are presently manufacturing oleomargarine in Canada?

2. In what localities is the manufacturing being carried on?

3. In what provinces is margarine being sold?

4. What has been the total production to date?

5. Under what brand names is oleomargarine being sold?

6. What are the constituents presently being used in the manufacture of margarine?

7. What quantities, if any, have been (a) imported; (b) exported?

8. What precautions are being taken to guarantee against the fraudulent sale of margarine as butter?

PUBLIC RELATIONS AND PUBLIC INFORMATION SERVICES

Mr. McGregor:

What is the number of persons employed in public relations or public information services, at the rate of remuneration in excess of $2,500 per annum, including writing, broadcasting and films, in each of the departments of government and the boards and agencies of government excepting the Canadian Broadcasting Corporation?

CANADIAN BROADCASTING CORPORATION—RESIGNATIONS AND DISMISSALS

Mr. McGregor:

1. How many officers and/or employees, paid $3,100 per annum or more, resigned or were dismissed from the Canadian Broadcasting Corporation (including the international service) during the period January 1, 1946 to December 31, 1948, including those who were subsequently reinstated?

2. What are the names of each such person?

3. What was the reson for resignation or dismissal of each such person?

4. What was the position and duties of each such person?

5. What was the salary of each such person at date of resignation or dismissal?

6. What was the period of service of each such person in the Canadian Broadcasting Corporation in years and months?

Mr. McCann: Return tabled.

EDUCATION—ESKIMOS—CHURCHILL, MAN.

Mr. Knight:

1. Are there any government schools for Eskimo children in the Northwest Territories?

2. Does the dominion government pay any grant towards the education of the children of its military personnel at Churchill, Manitoba, and what educational facilities are available to such children?

3. Who owns the town site of Churchill, Manitoba?

4. Can sites be purchased by those wishing to set up in business or to build residences?

5. Are leases granted for 12 months only? If so, why are they so restricted?

6. Is most of the property in the town of Churchill which is available for the assessment of taxes owned by the dominion government?

7. What proportion of the property assessable for taxation is assessable for purposes of education?

8. Does the dominion government make any grant to the upkeep of the school in the town?

CANADIAN BROADCASTING CORPORATION—FACSIMILE AND TELEVISION

Mr. Ross (St. Paul's):

1. Have any applications been received, and on what dates, by (a) the Department of Transport; (b) the Canadian Broadcasting Corporation, for the broadcasting of (i) facsimile; (ii) television?

2. If so, what was the disposition of each and the reasons therefor?

RADIO BROADCASTING—APPLICATIONS FOR A.M. AND F.M. LICENCES

Mr. Ross (St. Paul's):

1. Have any applications been received since July 31, 1947 to date, by the (a) Department of Transport; (b) Canadian Broadcasting Corporation, for licences to broadcast by (i) A. M. transmission; (ii) F.M. transmission?

2. If so (a) from whom; (b) on what dates; (c) what disposition was made of each application, and on what grounds?

3. What applications have been granted; to whom, and what is the date of each?

4. What frequencies have been allotted; what power permitted each, and what class, under the Havana agreements?

CANADIAN EXPORTS TO ECA COUNTRIES

Mr. Bentley:

What is the total volume of Canadian products, in quantity and in dollar value, exported to ECA countries and paid for by ECA funds:

1. By countries.

2. By principal categories of goods: (a) agricultural: (i) field products; (ii) fruit; (iii) vegetables; (iv) meat products; (v) dairy; (b) fish; (c) lumber;

(d) manufactured goods: (i) heavy industrial machinery, i.e., locomotives, factory, mill, mining and marine equipment, etc.; (ii) agricultural machinery; (e) military machinery, equipment and supplies; (f) consumer goods other than foods?

3. Relating to the items, separately, in the above question 2, what is the volume, in quantity and in dollar value, of the offshore purchases of Canadian goods by the U.S.A.?

Mr. McIlraith: Return tabled.

UNEMPLOYMENT INSURANCE—TRAINING ALLOWANCES FOR APPRENTICES

Mr. Probe:

1. Are apprentices in receipt of training allowances under the dominion-provincial agreements eligible for unemployment insurance benefits during periods when these apprentices are receiving training allowances?

2. How many cases, by provinces, have there been in which both unemployment insurance and training grants were collected by apprentices?

3. In how many such cases have the unemployment insurance payments been returned to the unemployment insurance commission?

Mr. Mitchell: Return tabled.

LEGAL SERVICES—NOVA SCOTIA

Mr. Stanfield:

1. What lawyers practising in the province of Nova Scotia have performed legal services or have been retained as solicitors or counsel by any department of government since the 1st of January, 1946?

2. How much has been paid to each of said lawyers?

IMPORTS OF DANISH BUTTER

Mr. Henderson:

1. How much Danish butter has been imported into Canada by the Canadian government during each of the calendar years 1947 and 1948?

2. Under what labels is such butter sold here?

3. Was any of such butter imported by way of the United Kingdom and reprocessed there with the addition of other ingredients, and, if so, what ingredients?

EMERGENCY GOLD MINING ASSISTANCE ACT

Mr. Benidickson:

1. What mines have submitted claims under the Emergency Gold Mining Assistance Act?

2. What has been paid to each and what period of operation does each settlement represent?

PRAIRIE FARM ASSISTANCE—PART-TIME FIELD MEN, SASKATCHEWAN

Mr. McCuaig:

1. What are the names of the part-time field men who were employed by the P.F.A.A. in Saskatchewan during 1948?

2. How many days was each employed?

3. What amount in salary and expenses was paid to each of them?

4. How many of them are veterans?

[Mr. Bentley.]

INCOME TAX—OFFICE AT SYDNEY, N.S.

Mr. Gillis:

1. Is the building occupied by the income tax department in Sydney, Nova Scotia, owned by the government?

2. If not (a) from whom is it rented; (b) for what period; (c) at what rental?

3. Who is in charge of the Sydney office?

4. How many employees are there in this office?

5. Is there any classification of employees?

6. If so, what salaries are paid in the various classifications?

7. Is there an efficiency test required for employment?

LEGAL SERVICES—CAPE BRETON ISLAND

Mr. Gillis:

1. What amounts have been paid for legal services in the respective constituencies of Cape Breton South, Cape Breton North, Inverness and Richmond from January 1, 1946, to December 31, 1948?

2. To whom were these amounts paid and for what particular service?

3. How many of the recipents were veterans?

CANADIAN BROADCASTING CORPORATION—STATION AND PREMISES AT SYDNEY, N.S.

Mr. Gillis:

1. Are the premises occupied by the Canadian Broadcasting Corporation in Sydney, Nova Scotia, owned by the corporation?

2. If not (a) from whom are they rented; (b) at what annual rental; (c) for what period?

3. Has the Canadian Broadcasting Corporation any arrangements with the privately owned station CJCB Sydney, Nova Scotia?

4. If so, what arrangements?

5. Who is in charge of the Canadian Broadcasting Corporation station known as CBI in Sydney?

6. How many are employed there and what are their respective salaries?

MOTIONS FOR PAPERS

VETERANS LAND ACT—TOWNSHIP OF SARNIA

Mr. Murphy:

For a copy of all agreements for sale and all tenders made by prospective purchasers in respect of Veterans Land Act sales made in the township of Sarnia during the calendar years of 1948 and 1949, where such sales were made to veterans or to others upon special conditions.

Mr. Gregg: As no sales under special conditions have been made to veterans or others during the calendar years 1948 and 1949, the return to this proposed order would be nil. We have explained to the hon. member for Lambton West (Mr. Murphy) the position with regard to pending sales, and perhaps he would agree to withdraw his motion and reword it.

FRASER RIVER BOARD

Mr. Fulton:

For a copy of all reports submitted to any minister or agency of the federal government by the Fraser river board since its inception.

TRADE WITH BRITAIN

QUESTION AS TO REDUCTION OF TARIFFS, ABOLITION OF EXCISE TAXES, ETC.

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the government. In view of Sir Stafford Cripps' statement to the Canadian Press yesterday, that British purchases of agricultural and other products must be dependent upon Canada's willingness to purchase more goods in the United Kingdom and the sterling areas, will the government make an early statement of policy in regard to the lowering of tariffs, the abolition of excise taxes, the making of application by Canada to remove our obligations under the non-discriminatory clauses of the Geneva agreement, or any other means to improve our trading prospects with Great Britain? I realize that some of these questions may be considered to be budgetary in character, but there may be some other means which the government may adopt, including the removal of our obligations under the non-discriminatory clauses.

Right Hon. L. S. St. Laurent (Prime Minister): I shall bring the hon. member's question to the attention of my colleagues and endeavour to have an answer for him as soon as possible.

CHINA

POSITION OF CHRISTIAN CHURCHES—TREATMENT OF MISSIONARIES

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, in view of the growing concern over religious persecutions behind the iron curtain, I should like to direct a question to the Secretary of State for External Affairs. It is prompted by the anxiety which prevails in many parts of Canada with respect to the situation in China.

Mr. Gibson (Hamilton West): Ask the question.

Mr. Graydon: Mr. Speaker, perhaps—

An hon. Member: Don't make a speech.

Mr. Graydon: If I am to seek advice on questions of procedure I will not seek it from the hon. member who interrupts. There is a great deal at stake, both spiritually and materially, affecting the Christian churches in China.

An hon. Member: Question.

Mr. Graydon: I should like to ask whether, with the information it now possesses, the government feels that the work of Christian churches in China will be permitted to proceed, having regard to the internal changes which have occurred in that country.

Inquiries of the Ministry

Hon. L. B. Pearson (Secretary of State for External Affairs): The hon. member for Peel was good enough to give me advance notice of his question. In reply all I can say is that it is very difficult in the circumstances that now exist in a large part of China to know whether missionary activities as they have been undertaken in the past will be permitted in the future under the new regime.

The government has had some reports, both official and non-official, from the communist-controlled areas in China concerning the treatment of missionaries there, and also as to the conditions under which they are being permitted to carry on their work. These reports are not conclusive; in fact in some respects they are contradictory. Therefore I think it will be some time before we know how effectively missionaries will be able to work in those parts of China now controlled by the communists.

It might be of some interest to the house if I went on to state in a few words the steps that we have been taking in the last few months to look after the interests of Canadians, including Canadian missionaries in China.

As hon. members may know, there are about 850 Canadians in China at the present time, more than half of whom are in areas outside communist control. As the scope of the civil war in China increased and moved south to the Yangtze river it became necessary in our opinion to get in touch with Canadian missionaries, and other Canadians in the areas north of the Yangtze, to see what we could do to assist them in the emergency which had developed.

For that purpose, as early as January, 1948, Canadian missionaries were advised by the Canadian ambassador that it might become increasingly difficult for them to work in the areas north of the Yangtze and east of the western border of Hupeh, and that consequently they might think it best to withdraw, at least temporarily, from these areas. On November 1 the warning, if you like to call it a warning, was repeated by British consular authorities, and the Canadian embassy associated itself with it. Similarly towards the end of November advice was again given to Canadians in that area to withdraw. Many of them followed the advice and returned to Canada.

Eighty Canadians, who were anxious to return and who had not other available means of transport at the time, were assisted by the Canadian government by the provision of air transport. Apparently about 600 Canadians remain in the areas of China not under communist control, there being about 300 in west China and 150 in south China. This number

includes a great many missionaries, and the embassy has kept in touch with them in order to render all possible assistance should they find it necessary to leave. The wives and children of our own Canadian officials, and the female staff, have already been evacuated from Nanking where conditions are not very satisfactory at the moment. The ambassador and the male staff, however, have remained at their posts in Nanking, and will remain there as long as it is possible for them to work there, so as to protect the interests of Canadians to the best of their ability.

IMMIGRATION AND MEDICAL INSPECTION

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): Following the statement made by the Secretary of State for External Affairs, I should like to direct a question to the Minister of Mines and Resources. Has the immigration department more than one immigration inspection and medical inspection office in China. It has one in Hong Kong, but is there any other?

Hon. J. A. MacKinnon (Minister of Mines and Resources): I am not fully informed, but I believe there is only one at the present time.

IMPORT RESTRICTIONS

RELAXATION OF CONTROLS ON IMPORTATION FROM THE UNITED STATES

On the orders of the day:

Mr. E. G. Hansell (Macleod): I should like to direct a question to the Minister of Finance. It is based upon letters which I have received in the last day or two from automobile dealers. Can the government give any indication as to the easing of the prohibited list of imports from the United States, particularly American-made automobiles, refrigerators and other such manufactured goods?

Hon. Douglas Abbott (Minister of Finance): I have said on numerous occasions that the import restrictions which were imposed a little over a year ago will be relaxed from time to time as our exchange position justifies such action. It is not the sort of thing, however, as to which it would ever be desirable or appropriate for me to give advance notice.

SHIPBUILDING

WEST COAST—REPORTED STATEMENT OF MAYOR OF VANCOUVER

On the orders of the day:

Mr. Howard C. Green (Vancouver South): I should like to direct a question to the Minister of Transport. Press dispatches today from Vancouver indicate that the mayor of that city announced, after an interview with the Minister of Fisheries (Mr. Mayhew), that the dominion government would preserve shipbuilding on the west coast even if it had to subsidize. Can the minister tell us whether that is a correct statement of the policy of the government?

Hon. Lionel Chevrier (Minister of Transport): I have not seen the statement made by the mayor of Vancouver, but I doubt very much whether my colleague, the Minister of Fisheries, had conveyed information to him that it was the intention of the government to subsidize shipbuilding. I can say that I know of no proposal to subsidize directly the shipbuilding or ship-operating industries, and I have no intention of so recommending to the government. As the hon. member knows, the speech from the throne contains a reference to the government's intention to assist the shipbuilding, and ship-operating industries, and legislation to that end is now under consideration.

SALE OF SHIPS UNDER AGREEMENT BETWEEN GOVERNMENT AND SHIP OPERATORS

On the orders of the day:

Mr. Angus MacInnis (Vancouver East): I should like to direct a supplementary question to the Minister of Transport. A certain amount of money has been put in escrow from the sale of ships that were sold under agreement. Is it the intention of the government to use that money in the immediate future for the replacement of some of the ships that were sold?

Mr. Chevrier: The agreement entered into between the government and the ship operators disposing of their ships provides that they must build within a period of five years. There is a further provision in the agreement by which an extension may be obtained, but the understanding is that when the money is paid in escrow it remains in the hands of the government, and it is for the express purpose of building in Canadian yards, and providing work in the shipyards for Canadian labour.

Mr. Rodney Young (Vancouver Centre): In view of the answer given by the Minister of Transport to the question of the member for Vancouver East, will the minister assure the house that everything will be done to expedite the building of the ships rather than allowing the period of five years to elapse that is provided for in the agreement? I ask the question because of the unemployment situation in Vancouver.

Mr. Chevrier: The question seems to be one which might well be put on the order paper. In any event the agreement is there,

and it stipulates the time. I can assure my hon. friend that it is the policy of the government to assist to the fullest possible extent the shipbuilding industry, the ship-operating industry, and the Canadian mercantile fleet.

LABOUR CONDITIONS

UNEMPLOYMENT IN VANCOUVER—PRESS REPORT OF STATEMENT OF MINISTER OF FISHERIES

On the orders of the day:

Mr. Howard C. Green (Vancouver South): There is a further question, arising out of the press dispatch to which I referred earlier, that I should like to direct to the Minister of Labour. The Minister of Fisheries (Mr. Mayhew) is quoted as having disclosed in Vancouver that there are between 35,000 and 40,000 unemployed in Vancouver, 7,000 in New Westminster, 3,500 in Victoria and 2,000 more in Nanaimo. Can the Minister of Labour tell us whether his department is taking any steps to meet the situation?

Hon. Humphrey Mitchell (Minister of Labour): Like my hon. friend the Minister of Transport (Mr. Chevrier), I have not read the newspaper report. A check is being made by my department at the moment in connection with the situation in Vancouver.

Mr. Green: Will the minister make an announcement before the end of the week?

Mr. Mitchell: The hon. member may rest assured that as soon as I get a report I will make an announcement.

UNEMPLOYMENT INSURANCE

RETENTION OF INSURABILITY BY SKILLED TRADESMEN

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Minister of Labour. Is consideration being given to the taking of steps to make it possible for skilled tradesmen, such as carpenters and bricklayers, employed at their trades by the federal Department of Agriculture, to retain their insurability under the Unemployment Insurance Act?

Hon. Humphrey Mitchell (Minister of Labour): I wish to thank the hon. member for giving me notice of his question. The answer is yes; the matter is under study.

Mr. Irvine: I should like to ask the minister a supplementary question. Is he in a position to indicate the procedure to be followed by tradesmen working for the Department of Agriculture to protect their unemployment insurance?

Mr. Mitchell: I do not think I can add anything to the reply I gave the hon. member for Winnipeg North Centre, that at present this matter is under what I might call serious consideration.

Mr. Knowles: That is good.

COARSE GRAINS

INQUIRY AS TO CONFERENCE WITH FEDERAL GOVERNMENT

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): I should like to direct a question to the parliamentary assistant to the Minister of Trade and Commerce—I notice that the minister is not in his seat. In view of the conclusion last Monday of the conference on coarse grains between the federal government, provincial governments, and the Canadian federation of agriculture, can the minister indicate when he will give a statement to the house as to what was accomplished, and what decisions were reached?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Perhaps I might take the question as notice, and treat it as a request to the minister to make a statement.

VETERANS AFFAIRS

QUESTION AS TO SALE OF PORTIONS OF LAND PURCHASED UNDER VETERANS LAND ACT

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): On February 16 I asked the Minister of Veterans Affairs a question as to a veteran being allowed to sell part of his small holding. At that time the minister said the matter had not been decided. Can he say now whether further consideration has been given this question?

Hon. Milton F. Gregg (Minister of Veterans Affairs): I cannot add anything to what I said the other day.

TORONTO

REQUEST FOR STEAM SUBURBAN SERVICE

On the orders of the day:

Mr. T. L. Church (Broadview): I want to refer the minister of reconstruction to the question I asked about steam suburban service for the Toronto district. The answer given today to my question as I placed it on the order paper does not deal with the matter at all, because it refers to last year and is not relevant. Has the minister anything further to say on this matter? How can anyone get cheap land in the country nearby without transportation by steam suburban services?

Inquiries of the Ministry

Hon. Robert H. Winters (Minister of Reconstruction and Supply): The answer given today by my colleague the Minister of Transport (Mr. Chevrier) had to do with the question of steam service for suburban Toronto, but I shall be glad to look further into the matter with him.

MICHEL LUCIEN SEIGNEUR

REFERENCE TO REPORT IN *Le Canada* OF FEBRUARY 23

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): Has the attention of the Minister of Mines and Resources been directed to a statement by Michel Lucien Seigneur appearing in today's issue of *Le Canada*, to the effect that he reported to the immigration authorities last year, and received his final papers last November, and that all his affairs were cleared by the government? Perhaps the minister would like to comment on this tomorrow, since I was not able to give him notice of the question.

Hon. J. A. MacKinnon (Minister of Mines and Resources): I have not seen or heard of the article in question.

JAPANESE

RETURN TO CANADA OF CANADIANS OF JAPANESE ORIGIN REPATRIATED SINCE 1945

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): I want to direct to the Minister of Mines and Resources a question of which I have given notice. Are Canadians of Japanese origin who were repatriated to Japan since 1945 being allowed to return to this country upon request? If so, to what extent and under what circumstances?

Hon. J. A. MacKinnon (Minister of Mines and Resources): Just before coming into the chamber I received notice of the intention of the hon. member to ask this question. Before answering it I should like to look into just what is involved in the question, but I shall do so and bring down an answer as soon as possible.

NATIONAL DEFENCE

AIRPORT SOUTH OF PORTAGE LA PRAIRIE

On the orders of the day:

Mr. L. E. Baker (Parliamentary Assistant to the Minister of National Defence): I should like to answer a question asked on February 11 by the hon. member for Portage la Prairie (Mr. Miller) about the airport south of Portage la Prairie.

This former R.C.A.F. unit was turned over to the Department of Transport in June, 1948. The property is now surplus to Department of Transport requirements and is in the process of being returned to the Department of National Defence. On completion of the proceedings of transfer the station will be placed on a caretaker basis as an inactive reserve R.C.A.F. base.

HOUSING

REPORTED STOCKPILING OF LUMBER BY CENTRAL MORTGAGE AND HOUSING CORPORATION

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to ask the Minister of Reconstruction and Supply whether it is correct that the Central Mortgage and Housing Corporation are now engaged in building up a stockpile of lumber amounting to some 11 million feet, and that they are making or intend to make purchases direct from producers without seeking tenders from retailers?

Hon. Robert H. Winters (Minister of Reconstruction and Supply): I have no knowledge of that arrangement.

Mr. Fleming: Will the minister look into it and make a statement?

CONTRACT TO BOW RIVER CONSTRUCTION COMPANY, CALGARY

On the orders of the day:

Mr. C. E. Johnston (Bow River): In looking over the answers, tabled today, to questions on the order paper I find that the first part of question No. 4 was not answered at all. In it I asked what were the qualifications of these contractors as far as building experience went. Will the Minister of Reconstruction and Supply answer that part of the question at his convenience?

Hon. Robert H. Winters (Minister of Reconstruction and Supply): I do not think I can add anything to the answer tabled today. Each contractor is investigated, and the question of his ability is dealt with on its merits.

Mr. Johnston: But my point is that the part of the question having to do with the experience of the contractor was not answered. Will the minister look into the matter and give me an answer tomorrow?

HOUSE OF COMMONS

PROCEDURE IN QUESTIONS ON THE ORDERS OF THE DAY

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Before we proceed to the orders of the day might I express the hope that in future the standing orders of the house with respect to questions will be followed. We have now gone back to the regular procedure of answering questions three times a week, and it would seem to me that in the interests of all it is desirable that the rules be adhered to, and that oral questions be asked on the orders of the day only when their urgency would justify avoidance of the delay involved in placing a question on the order paper.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Tuesday, February 22, consideration of the motion of Mr. D. F. Brown for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. W. D. Wylie (Medicine Hat): When the house rose last evening, Mr. Speaker, I was dealing with the problems of the Medicine Hat area, and was discussing the development of the Bow river extension. I gave several reasons why this project should be completed with the least possible delay. One of those reasons was the cost involved. While that area must be more or less resettled, there are many farmers in it who have been waiting for years to be re-established on irrigated farms. In addition, many young men who moved to the towns and cities during the war years now find employment not so easy to obtain, and they are anxious to get back on good productive land. The government should complete the main canals as soon as possible, on both the Bow river extension and the St. Mary-Milk river project. When that is done the people of the area will believe that the government really means business.

The completion of this work will greatly benefit many ranchers and farmers in that area who are interested in the production of livestock. It will provide water, which they do not have at the present time. Some of the farmers west of Medicine Hat have been in that area for fifty years. I might mention two in particular—Mr. C. D. Ronan and Mr. Nils Stenby. These two farmers were among the first to settle in that area, and for all these years they have been waiting for irrigation. It is about time the government showed that it really means business, by constructing these canals and dams.

I might mention the work done by Mr. A. P. Burns in connection with the Bow river extension. This man, who has been a resident of Medicine Hat for years, has taken an active interest in the development of irrigation in that area. It is now the duty of the dominion government to make its stand clear and to supply the financial assistance necessary to complete this project. It might mean a big saving to the dominion government in the long run, as well as the establishment of many farmers on a self-sustaining basis.

In this connection let me indicate what it cost the dominion government for relief in that area from 1931 to 1938. I shall refer to the Meek report, published in 1942, with which most hon. members are well acquainted. This is what the Meek report has to say:

> During the severe drought years from 1931 to 1938, the relief expenditures in Alberta amounted to $51,968,585, including relief works, direct relief administration and medical aid. The total relief expenditures in Saskatchewan amounted to $134,230,046 during this seven-year period, making a total of $186,198,631 for the two provinces.
>
> Food, seed, feed and fodder, including freight, were main items of expense. During the winter of 1937-38 some 488,000 tons of feed were supplied in the drought area of Saskatchewan, and 44,000 tons in Alberta. Much greater quantities would have been required had not more than 474,000 cattle been removed from the drought area.

After listening, Mr. Speaker, to the Minister of Agriculture (Mr. Gardiner) extol the virtues of the Liberal party in his speech yesterday, I wondered what party was in power in 1937. Was it the Liberal government, or just what government was it? One thing we must remember, even after listening to the minister's speech yesterday, and that is that the farmers of western Canada in the drought area still remember the price they received for the 474,000 head of cattle. The amount which the dominion government paid was one cent a pound. I am not surprised at the reference of the Minister of Agriculture yesterday to the increased income of the farmer of this country. His speech, Mr. Speaker, was what I would term a good election speech. It referred to only one side of the case.

We all realize that the income of the farmers is higher today than it was in 1938, 1939 or 1944, but we also know that their costs are considerably higher. Unless you

compare the income with the cost, you do not get a proper result.

Mr. Gardiner: I did that yesterday.

Mr. Wylie: I did not read that in the minister's speech. I have not seen it, and I certainly did not hear it. I do not read between the lines, so it might have been there.

Mr. Gardiner: The net returns were all given.

Mr. Wylie: Perhaps they were, but it must be realized that the farmers in this country today are called upon to pay greatly increased prices for tractors as well as all the other things they have to buy.

Since the Prairie Farm Assistance Act was brought into force, it has applied in every township in Alberta east of our irrigation district. The exception to this rule was in 1942 when the average yield of wheat in that area was approximately fourteen bushels per acre. In every other year the Prairie Farm Assistance Act has applied, and this presents a still more cogent reason for an irrigation project in that area. Irrigation will mean much to the people there. I believe there is a possibility that irrigation would even change the climatic conditions. Farming is our basic industry, and farmers must be kept prosperous.

I have mentioned not only the increased cost of living, but also what the farmers have had to pay in the way of increased costs of operation. Taxation has much to do with these increased costs. This matter was dealt with fully and fairly by the leader of this group, the member for Peace River (Mr. Low). For this reason I shall not dwell on that subject. It is about time the government realized that some of these taxes should be discontinued. There is a sales tax, a luxury tax of 25 per cent and many other nuisance taxes.

As has been mentioned in the course of this debate, we also have a two-cent tax on soft drinks. This is another matter which should receive serious consideration. The other day I received a letter from the Shamrock Bottling Works, Medicine Hat, Alberta, explaining that the soft drink is traditionally a five-cent product. When you consider that a two-cent tax is levied on a five-cent drink, you realize that this impost is just what the member for Red Deer (Mr. Shaw) labeled it, an iniquitous tax. It is time it was removed.

There is one other matter to which I should like to refer, and that is the amount paid to the older citizens of this country by way of old age pension. This also was referred to by the member for Red Deer. The time has come when the government should give serious consideration to increasing the old age pension. It is unreasonable to expect anyone to live on $30 a month today. I know that this side of the house will at least have the support of one member sitting on the other side; I refer of course to the hon. member for New Westminster (Mr. Reid). I am sure he will do what he can not only to increase the pension but to lower the age of eligibility.

Another group of persons who are really up against it today are the incurables. I should like to refer to a letter which I received the other day, part of which reads as follows:

> I am a member of the Canadian Association of Incurables and am writing you to help us unfortunate incurables and try to get legislation passed to cover a pension for us.
>
> I am forty years old, with a family of five children, unable to work, and without means of supporting my family, because of the fact five years ago I was stricken with progressive muscular atrophy. Medical men of Canada and Rochester cannot help me.

That is only one of the many letters of the kind that we receive. I think the time has arrived when something should be done for these people. I see that the Minister of National Health and Welfare (Mr. Martin) is in his seat. I know he has a big heart, and I hope that when he brings down his estimates this year they will contain provision for assistance not only for incurables, but for our older people, and many others who are in need of help.

I should also like to refer to another matter that affects the southern part of our province, namely, the transcontinental highway. The speech from the throne contained a reference to this highway, but it was extremely vague. As a matter of fact, this is all that the speech says on the subject:

> A measure for assistance in the provision of a transcontinental highway will also be laid before you.

That was the extent of the statement. Before the provincial election in Alberta, the Minister of Mines and Resources (Mr. MacKinnon) was out there doing a little bit of campaigning.

An hon. Member: Very little.

Mr. Wylie: Yes, it was very little. It did not help a great deal; we admit that. But he was there just the same, and in Edmonton, on August 12, according to a press report, he had this to say:

> Hon. J. A. MacKinnon said today that a trans-Canada highway is "an absolute necessity from the standpoint of the country's economy."
>
> The Minister of Mines and Resources has just returned home from the Liberal convention in Ottawa and he will participate in the August 17 Alberta general election.

Mr. MacKinnon said an independent commission to select a route should be set up without "undue delay", and that the highway need not be near the United States border, even though it would help promote the tourist trade.

I realize the significance of that last paragraph. The minister was campaigning in Edmonton, and naturally was working to have the trans-Canada highway go through that city, whereas we in the south of course believe it should go through the southern part of the province. I must say this to the minister, however. After the conference with the provincial premiers and provincial ministers of public works that was held here in Ottawa, the minister suggested that perhaps the government would pay fifty per cent of the cost of the trans-Canada highway. My opinion is that unless the dominion government contributes much more than fifty per cent, we shall be discussing this subject for years to come. I think it is realized by all provincial governments that the dominion government must accept a greater responsibility for the construction of that highway, which would mean a great deal to this country, not only now but in the years to come.

There were some other matters, Mr. Speaker, to which I wished to refer, but I see that my time has almost expired. In closing may I appeal to the government to provide irrigation in the drought areas with as little delay as possible. I urge upon them that they not merely talk about the matter this year, in the event of a federal election coming along, but that they show us they mean business by making a start on the project.

I appeal to the government for an increase in the income tax exemption applicable to individuals. The present exemption is altogether too low, in view of the increased cost of living. I sometimes wonder how the working people can get along on what they are allowed to keep of their earnings.

Last, but not least, may I appeal to the government to give a substantial increase in the pensions to our older citizens, those who pioneered and prepared the way for Canada's development. I appeal to the government to do these things, not only for the benefit of the people of my constituency, but for all the people from one end of Canada to the other.

Hon. Paul Martin (Minister of National Health and Welfare): This house, Mr. Speaker, will expect me to report on the progress made during the past few months under the national health program inaugurated last year in a memorable statement made by the then Prime Minister. The announcement of this program, with all of its significance for the health and well-being of the people of this country, was made on May 14 last. This house approved that program on June 30. The first provincial request for federal assistance was received on August 25.

I believe, Mr. Speaker, that what I have to say to the house this afternoon is a powerful story. It will not be a complete story. That will come at a later date when time alone will afford final appraisal of the great projects that are under way. But the humanitarian effects of the story are now sufficiently before us to indicate the scope of the achievements to date—achievements that, I think, reveal the true perspective of government in a free society, as few other measures in our history have done. I am reporting on a measure that seeks to improve the facilities to relieve human suffering caused by disease and ill health. What I have to say today will show what this government has done so that the provinces—so largely charged with the responsibility of health policy and administration—will be enabled to give the men, women and children of this country, regardless of financial position, the opportunity to share more fully in the advantages of modern health services.

Since the first project was received amazing progress has been made. Projects under the national health program are now flowing into Ottawa at the rate of $200,000 a day! Let us look at the record of monthly totals of projects approved:

August	$ 196,000
September	375,000
October	997,000
November	1,721,000
December	1,112,000
January	4,082,000

The January total was no less than 60 per cent beyond the monthly rate required for our target of $30 million a year. The total for the first three weeks of February—$4,893,000—suggests that this month will exceed $6 million. Already, only seven months since the first project was received, we have approved the expenditure to the provinces of more than $13 million.

The house will recall the broad outline of the national health program:

(1) Federal grants totalling $625,000 have been provided to enable the provinces to make comprehensive surveys of the Canadian health scene.

(2) To strengthen and extend provincial health services, federal grants starting at $16,495,000 will be available each year for public health research and public health projects; to train professional health workers, to help crippled children, to fight venereal disease, to control tuberculosis, to strengthen cancer control campaigns, and to promote mental health.

(3) Great increases in hospital accommodation are being encouraged by annual grants to the provinces, totalling $13 million a year.

These grants make possible an additional expenditure of $30 million or more each year on Canada's hospitals and health services. This is almost as much money as was spent on health by all governments in Canada—federal, provincial and municipal—as recently as 1933. This program of federal health grants is twice as much on a per capita basis as the federal health grants program in the United States.

In recognition of the importance of the national health program, the American Public Health Association—the most authoritative body in this field in North America—paid formal tribute to it when that body resolved as follows—

> —that the American Public Health Association extend its hearty congratulations to the government and the people of Canada for a step which makes the year 1948 memorable in the annals of public health on this continent.

Mr. Graham L. Davis, director of the division of hospitals for the Kellogg foundation, in a recent article in the *Washington Post* wrote:

> Canada is outstripping the United States in its planning for an over-all national health program.

In Canada, as in this house, throughout the country, and everywhere I have gone since the end of the last session, the action taken by parliament, by the government, has everywhere received an enthusiastic reception. Provincial governments, Canadian health leaders, the average Canadian citizen—all recognize this as an historic advance towards good health. The chairman of the Saskatchewan Health Services Planning Commission called it a fine and courageous program. Dr. W. A. Magner, president of the Canadian Medical Association, called it the most important event in Canada's health history.

Apart from a few important federal activities, health administration in Canada is centred in the provinces. The national health program, being worked out in closest co-operation with the provinces, does not in any way disturb their primary responsibility for health services. The centralization of health services would badly serve the Canadian citizen. In working closely with provincial governments to raise public health levels, the federal government is careful not to disturb the proper dominion-provincial balance of health responsibilities.

Access to good health is a fundamental human right. It is a right that every government must guard. When it became evident that our provincial defences against disease and ill health needed strengthening, the federal government backed by the house took determined action. But Canada's health services are a complex of responsibilities, sometimes exclusive, sometimes overlapping. Federal, provincial, municipal governments and voluntary health agencies—all are concerned with Canada's health. Mr. Speaker, I am happy to be able to say that all of the nine Canadian provinces are now collaborating in this plan for the nation's health, Quebec, being the last to come in, having agreed to participate on September 7. In acknowledging the speed with which this great enterprise has got into full operation, I should like—and I know I do this with the full concurrence of every hon. member—to pay tribute to my two deputy ministers; to Dr. Fred Jackson, former deputy minister of health in Manitoba, whose great experience and reputation in the provincial health field makes him one of the great figures on this continent in the work of public health, and who is the administrator of the federal grants; and to all the other officers of the Department of National Health and Welfare and all provincial organizations and agencies who have worked during the past several months with so much enthusiasm and effectiveness.

In my talks with the provincial ministers of health, in my conferences with their deputy ministers at the dominion council of health, and in public statements made in every province in this country, I have reiterated the desire of the government that these federal grants should be utilized as expeditiously and as efficiently as possible. In this connection, to indicate my recognition of the problems that the provinces have to face, I should like to quote from an address I made to the Royal College of Physicians and Surgeons in November last:

> It takes time to assess and strengthen provincial programs and this might prevent full and immediate use of the moneys available. When I asked parliament to approve the whole amount for this fiscal year I did so for a deliberate purpose—to indicate how anxious the government was to see its grants fully utilized this year if possible. This year's allotment of $30 million is our target figure—the amount of money that we believe should be expended to bring our health services up to desirable levels.

The provinces have done excellent work in planning and carrying out the health advances made possible by these federal grants to the extent that they were not prevented by the shortages of trained health personnel, of technical equipment, and of hospital construction facilities. I am happy to say that these problems are now being tackled energetically and with considerable success. The house and the country will be interested in knowing that 600 health projects have al-

ready been received from the provinces and approved by the federal government.

Mr. Speaker, when this program was announced last year by the then Prime Minister, it was emphasized that these federal grants "would have the added advantage of being fundamental prerequisites of a nationwide system of health insurance." Indeed, they represent the first stages. The new services being developed and the new hospitals being built with these federal grants are hastening the moment when in every province it will be possible to consider further action towards hospital and medical care insurance—for which, of course, the federal government stands ready to provide assistance, under satisfactory agreements for dominion-provincial co-operation. It is of interest to note that in a recent radio address the Prime Minister said:

> It is up to the people and the government in each province to take the initiative in working out health insurance plans in line with their local conditions and their traditions.

This national health program was not merely the fulfilment of the proposals made by the dominion government to the provinces in 1945-46. We went much beyond them. The best proof of this is that $17,123,000 more money is available in federal health grants for the provinces this year than if the health grants contained in the proposals had been implemented. I shall list the major changes since 1945-46:

1. A new annual grant of $3,500,000 has been added for cancer control.

2. The professional training grant has been increased by $250,000 a year.

3. Over a period of years the annual grant for public health research will increase to $500,000 in place of the $100,000 formerly proposed.

4. The federal government has now offered —in place of low-cost loans previously proposed—to give annual grants totalling $65 million over a five-year period to help the provinces increase their hospital accommodation.

I now propose to give the house the highlights of what has been achieved so far under the new federal health plan. I cannot do more than outline what has been done, but with the agreement of the house I shall indicate in more detail some of the lines of achievement by tabling some of the main projects that have been approved. It may be helpful if I remind the house again that this program is divided into three sections. They are as follows:

1. The health survey grant—$625,000 in outright grants.

2. The hospital construction grant—$13 million in cumulative annual grants for a period of five years.

3. National health grants—totalling $16,495,000 this year and later increasing to about $23 million.

All the provinces have well under way the health surveys made possible by the federal grants. The total amount approved by parliament for this purpose has now been allocated. The provinces have established survey teams which are taking inventories of their health facilities and services, as a result of which new programs are being shaped up for their extension and development. In these surveys the provincial health departments are receiving the fullest co-operation from medical associations and other professional and voluntary health bodies. From all sides the most enthusiastic support is forthcoming for Canada's health plans for the future.

One of the urgent reasons for these surveys is to determine provincial requirements for new hospitals. There are obvious difficulties and delays in the planning and building of hospitals, but the total amount of additional hospital accommodation now under construction or in the planning stage, with this federal stimulus, is greater than ever before. The hospital construction grant provided by the federal government is being extensively utilized, as I will briefly indicate. Quebec, for example, has already had projects approved up to one hundred per cent of this year's grant.

I am glad to announce to the house that in this fiscal year federal assistance will be authorized to help build hospitals totalling 13,000 additional beds. This is no mean achievement. This is nearly one-third of the total of 40,000 beds which in my conferences with the provincial governments, I suggested as the government's target for the current five-year period. To summarize, these projects cover new construction totalling 12,983 beds distributed as follows:

1. Federal grants have been approved for construction representing 6,401 hospital beds of all kinds throughout all parts of Canada.

2. Projects for 2,882 new beds are at present under review.

3. Further projects will be submitted, I can now say, before March 31 totalling a further 3,700 beds.

With the permission of the house I should like to place on *Hansard* a table indicating the institutions that have received approval for beds in the amounts first mentioned.

Mr. Deputy Speaker: Has the minister the permission of the house?

Some hon. Members: Agreed.

Mr. Martin: The table is as follows:

Hospital construction projects approved for assistance under the Hospital Construction Grant, 1948-49

Location	Hospital	Additional beds provided
Charlottetown, P.E.I.	Beach Grove	249
Sheet Harbour, N.S.	Eastern Shore Memorial	29
Liverpool, N.S.	Queen's	42
Lunenburg, N.S.	Lunenburg	55
Musquodoboit Harbour, N.S.	Twin Oaks Memorial	10
Guysboro, N.S.	Guysboro Memorial	13
Grandmere, Que.	Hopital Lafleche	130
Three Rivers, Que.	Hopital Ste. Marie	123
Montreal, Que.	St. Joseph des Convalescents	120
Montreal, Que.	St. Joseph Sanatorium	451
St. Thomas de Montmagny, Que.	Hotel Dieu de Montmagny	118
Three Rivers, Que.	Sanatorium Cooke	174
Ste. Germaine du Lac Etchemin, Que.	Sanatorium Begin	300
Joliette, Que.	St. Eusebe	144
Macamic, Que.	Sanatorium de Macamic	185
Drummondville, Que.	Ste. Croix	228
St. Georges de Beauce, Que.	Hotel Dieu Notre Dame de Beauce	180
Mont Joli, Que.	Sanatorium St. Georges	298
Val D'Or, Que.	Saint-Sauveur	83
Lourdes de Blanc Sablon, Que.	Notre Dame de Lourdes de Blanc Sablon	23
Noranda, Que.	Youville	153
Sudbury, Ont.	Sudbury General	169
Grimsby, Ont.	West Lincoln Memorial	39
Hamilton, Ont.	Hamilton General	181
Hamilton, Ont.	St. Peters Infirmary	45
Leamington, Ont.	Leamington District Memorial	57
Cobourg, Ont.	Cobourg General	4
Peterborough, Ont.	St. Joseph's General	65
Killarney, Man.	Killarney General	30
Gilbert Plains, Man.	Gilbert Plains	12
Steinbach, Man.	Steinbach General	34
Assiniboia, Sask.	Assiniboia General	15
Vulcan, Alta.	Vulcan Municipal	17
Olds, Alta.	Olds Municipal	12
Three Hills, Alta.	Three Hills Municipal	28
New Westminster, B.C.	Provincial Mental	100
New Westminster, B.C.	Royal Columbian	169
Vernon, B.C.	Vernon Jubilee	117
Murrayville, B.C.	Langley Memorial	46
Alert Bay, B.C.	St. George's Hospital	48
Fernie, B.C.	Fernie Memorial	40
North Vancouver, B.C.	North Vancouver General Hospital	10
Princeton, B.C.	Princeton General Hospital	2
Stettler, Alta.	Stettler Municipal Hospital	34
Rimbey, Alta.	Rimbey Municipal Hospital	22
Benito, Man.	Benito Hospital	19
Boissevain, Man.	Boissevain Hospital	10
Altona, Man.	Altona Hospital	29
Carberry, Man.	Carberry Hospital	10
Cartwright, Man.	Cartwright District Hospital	9
Fisher Branch, Man.	Fisher Branch Outpost Hospital	12
Dunnville, Ont.	Haldimand War Memorial Hospital	53
Trenton, Ont.	Trenton Memorial Hospital	68
Ingersoll, Ont.	Alexandra Hospital	61
Oakville, Ont.	Oakville Trafalgar Memorial Hospital	50
Oshawa, Ont.	Oshawa General Hospital	18
Cornwall, Ont.	Cornwall General Hospital	89
Amos, Que.	l'Hotel-Dieu d'Amos	215
Chandler, Que.	Hopital de la Providence	56
Mont Providence	l'Institut Medico-Pedagogique du Mont Providence	1,269
Baddeck, N.S.	Victoria County Memorial Hospital	35
	Fractional (Bassinets)	4
	Total	6,401

To ensure that the progress now being made will be continued and that we will reach or surpass our target within the next four years, it is the intention of the government to ask in the coming year's estimates for the re-vote of any unexpended portion of this year's $13 million grant. The hospital construction grant is therefore cumulative, while the health survey grant is outright and the annual national health grants are on a continuing annual basis.

These hospital construction projects cover a wide range, from large general hospitals and hospitals for the mentally ill, down to small

rural hospitals and nursing stations. It is not easy to select from a great number of projects that are being approved under this grant more than a few typical examples. By March 31, at least four provinces—Prince Edward Island, Quebec, Alberta and British Columbia —will have submitted projects covering all of their federal grants for hospital construction.

I might, however, make note of one outstanding project to illustrate the operation of this federal grant. In Quebec the federal government has approved the allocation of $1,498,000 to assist towards the cost of a magnificent structure now building at Riviere des Prairies to house 1,269 mentally deficient children. This hospital, modern both in its concept of early care and training and in its design, should be unsurpassed in North America.

The action that is being taken by the federal government to help build new hospitals in every province is far-reaching. At meetings of the Saskatchewan hospital council in Regina and the Ontario hospital association in Toronto, I was struck by the unanimity among executive members and delegates on the tremendous encouragement given them in their work by this federal grant. The extent of this assistance is perhaps best indicated by these two facts:

1. On a per capita basis Canada's federal grant for hospital construction is twice the similar grant provided by the United States.

2. By March 31 we will have paid out in eight months a higher proportion of our hospital construction grant than the United States paid in two years after passing its somewhat similar measure.

With regard to the third section of our federal health program, the national health grants, I should like to review for the house the way in which these grants are divided and the amount of money set aside for each purpose each year, and the results that have followed from their being made available to the provinces.

1. Professional training grant—$500,000.

2. Grant for public health research—$100,000 this year but increasing to $500,000 annually.

3. General public health grant—$4,395,000 in the current fiscal year and rising to $6,500,000 by 1951.

4. Venereal disease control grant—$500,000.

5. Grant for crippled children—$500,000.

6. Mental health grant—$4 million in the current fiscal year and rising to $7 million a year by 1954.

7. Cancer control grant—$3,500,000.

8. Tuberculosis control grant—$3 million in the current year, rising to $4 million by 1950-51.

I have reminded the house of these figures, Mr. Speaker, because from the mere recital of these grants it is clear that the provinces are being given an almost unlimited opportunity to exercise their ingenuity and initiative in moving forward on all sectors of the health front. Where the provinces already had certain well-established programs, such as those for the control of venereal disease, mental illness and tuberculosis, we have provided specially ear-marked grants. Where the provinces had their plans already made or in the formative stage, as for cancer or crippling conditions in children, we have enabled them to put their plans into operation for the first time on a comprehensive scale across Canada. Where, for other serious illnesses such as rheumatism and arthritis, the provinces had not yet devised their plans of attack, we have encouraged them to develop projects on a trial basis for the control and treatment of these illnesses, while urging them to explore the best means of developing all-out attacks. With respect to health research, we have provided special financial assistance to increase the tempo and the scope of research efforts.

I know that this is a detailed statement, but the house has been thus far extremely patient, and if hon. members will follow me now until almost the end of what I have to say they will see the unfolding of a story which I think has been unsurpassed by any federal state in the world.

(i) Grant for Professional Training—$500,000. We are also stepping up the training of health specialists, who are essential to the success of provincial health programs. This shortage of health workers is without question the main obstacle to health advances. I need not tell this house that the finest hospitals, the best medical equipment that money can buy—all these are useless unless we have an adequate body of highly trained and professionally qualified personnel to put these facilities into full service.

The professional training grant is already achieving results: public health doctors, dentists, nurses, laboratory technicians, mental hospital attendants, sanitarians, research workers, psychiatrists—these and many other categories of professional health workers are now being trained under it. In addition, specialists are being given training from funds provided under the grants for cancer control, tuberculosis control, mental health and general public health. Under all these federal grants, 537 professional health workers are receiving training at the expense of the federal government. As a result of the expenditure of almost $400,000 in the current fiscal year we can expect large reinforcements for Canada's army of health and hospital workers.

The most notable training project now underway is one submitted by the province of Ontario for the expenditure of almost $200,000 this year at the university of Toronto to train mental health personnel, such as psychiatrists, psychiatric social workers and psychologists.

If any member of the house does not think that is one of the most important problems on which we should be engaged, let him come with me any time and visit some of these institutions in our provinces and see how badly needed is the kind of assistance we are now giving.

Another project for post-graduate training in clinical psychology, bacteriology and preventive medicine, is going forward at the university of British Columbia, and, as a notable instance of action making for Canadian unity, at the suggestion of the Department of National Health and Welfare the maritime provinces have met together and agreed to back a joint program for mental health training at Dalhousie university.

(ii) Research in Public Health—$100,000 to $500,000. Besides increasing the supply of professional health personnel, we must bring scientific research to support the health services of each province. That purpose is now notably being achieved through the public health research grant, which starts this year at $100,000 and increases—as research workers and research facilities become available—to $500,000 a year. The initial difficulties in getting new research projects under way are now being overcome and it is now certain that the full $200,000 grant for next year will be allocated.

The public health research grant is financing a number of useful investigations. For instance—and I can only give some examples—there is a community research project in preventive dentistry to find the value of the application of sodium fluoride to children's teeth. In British Columbia, a wide-scale study is under way of 8,000 school children to determine the value of a simplified system to gather health and welfare data for each child. In Saskatchewan, there is a study on the nutritive value of milk. Radioactive isotopes are being used to determine the efficiency of commercial detergents and to study the contamination of certain drinking water.

A three-year study is now beginning at Connaught laboratories in Toronto on methods by which the infection of the polio virus spreads. Other public health research projects include research into certain causes of maternal and infant deaths and the gathering of exact and detailed statistics on the extent and nature of illness in a typical Canadian community.

Through this and other grants of the national health program, new impetus is being given to Canada's expanding medical research program. The national research council through its medical division is continuing its medical research projects totalling $350,000 a year; the Canadian Arthritis and Rheumatism Society is preparing extensive plans for research, for treatment, and for education. A considerable program is going forward with the support of the medical schools, voluntary organizations, individual donors and private industry; a particularly notable program, about which I shall have something to say later, is also being carried on by the national cancer institute. Since the incorporation of this institute a little more than two years ago, an impressive total of fifty-eight individual fundamental research projects on cancer are under way in many of our universities throughout the country. I thought a list of those projects might be of interest to the house, and with the permission of the house I would ask leave to table a schedule.

Some hon. Members: Agreed.

Mr. Martin: The schedule is as follows:

Research Grants and Fellowship Awards Screened by the National Cancer Institute and Approved by the Medical Division of the National Research Council

These are being carried out at: Dalhousie university, Halifax, N.S.; Acadia university, Wolfville, N.S.; university of Montreal, Montreal, Que.; McGill university, Montreal, Que.; Notre Dame hospital, Montreal, Que.; Montreal General Hospital Institute, Montreal, Que.; Queen's university, Kingston, Ont.; university of Toronto, Toronto, Ont.; university of Western Ontario, London, Ont.; university of Manitoba, Winnipeg, Man.; university of Saskatchewan, Saskatoon, Sask.; university of Alberta, Edmonton, Alta.; university of British Columbia, Vancouver, B.C.

A study of the growth of metabolism in yeast cells.

An enzymatic, histochemical and cytochemical study of malignancy.

The dissociability of the fundamental process of ontogenesis.

The cytological study of modification in embryonic differentiation.

Differential sensitivity of cells and chromosomes to ex-radiation.

The precancerous cirrhotic liver and malignant hepatoma in the rat.

Studies of endocrine glands and hormones in tumorigenesis.

Research on Hodgkins disease.

Study of fundamental chemistry of cancer cells.

Maturation cycle of living cells.

The histological localization of radio-active elements of biological significance in normal and cancerous tissue.

Selective staining of tumours in the brain by vital dyes.

Cytological studies in diagnosis of malignant tumours of the lower respiratory tract.

Clinical and metabolic effects of testoterone propionate administered to patients with carcinoma of the breast with skeletal metastases.

Study of fundamental chemistry of cancer cells.

Application of radioactive isotopes in the study of the relation of steroids to carcinogenesis.

A comparative study of methods of diagnosis of cellular sediment, from the lower respiratory tract.

Effect on spontaneous and induced tumours formation of dorsal nerve root section.

Study of the nature of the agent or factor responsible for malignant growth of mammary cancer in mice.

A comparative study of the respiratory metabolism of cells in the growing and resting conditions.

Studies to provide fixed facilities for animal experimentation in cancer research.

The influence of cosmic radiation on carcinogenesis.

The electrolytic pattern and permeability of growing cells.

The nutritional requirements of animal cells in tissue culture.

Biochemical methods for the separation and purification of virus proteins.

The enzyme systems and metabolism of normal and tumour-bearing chick embryos.

Study of connective tissue sarcoma in rats and its relationship to enzyme systems and metabolic processes.

Study of lipotropic factors in the prevention and treatment of tumours in rats.

Growth of metabolism in plant tissue.

The physiology of metamorphosis.

Irradiation studies on malignant differentiation.

Investigation into the nature and effects of intracellular components specific for malignant cells.

The development of a synthetic medium for animal cells grown in tissue culture.

A study of the relationship between virus and host cells.

Study of cytology of crown gall as related to cancer and effects of colchicine and related compounds on mitosis in plants and animals.

The metabolic and biochemical correlatives of growth and differentiation in plant tissues.

Study of metamorphosis in relation to carcinogenesis and the influence of cosmic radiation on carcinogenesis.

Investigation of changes in the lipid composition in cancerous and other tissues of animals undergoing increasing malignant change.

An experimental study of the growth and physiological activity of trophoblast.

Factors influencing the water content of the liver of tumour-bearing rats.

Synthesis of substitute bis (B-chloro-ethyl) amines and a study of their pharmacological properties.

Synthesis of tertiary amines containing steroid nucleus.

Determination of whether a bio-assay of a cancer patient can be obtained upon an insect and the susceptibility of insects to carcinogenic substances.

Investigation of Beard's work on cancer diagnosis.

Study of factors modifying rate of early development processes.

Cancerous responses of plants to chemical stimuli.

A study of the enzymes of white blood cells with special reference to the leukemic cell.

The dynamic action of carcinogenic compounds in vitro.

Electrostriction and charge penetration of monomolecular films and diagnostic studies of ultraviolet fluorescence of cancer serum extract.

Studies on the cultivation in vitro of human marrow in leukemia, leukemoid conditions, myeloma and metastatic carcinoma in bone.

Histologic study of rat spleen and gonads following injection of urine extracts of cancer patients.

Electro potential with the gastric mucosa and their modification by gastric lesions.

Investigation of the possible therapeutic applications of ultra-high energy x-rays.

Carcinogenetic properties of 1;2;9;10 tetramethylanthracene and allied substances.

Preparation of radioactive sulphur-containing compounds.

A quantitative test for hemosiderin in the mammary tissues of mice.

A study in the chemistry of cancer.

Effects of radiation on biological material.

I feel I may say that the new energy put into research by the national cancer institute and the national health program brings the money available for health research this year to an all-time record of more than $1,250,000. I believe this represents an effort that is as fundamental and integral to our life as any that we discuss at any time in this national parliament.

(iii) Extension of Public Health Programs —$4,395,000 to $6,500,000. Besides the grants to train professional health workers, and to support research in public health, there is a grant for general public health, which this year stands at $4,395,000 or 35 cents per capita. British Columbia has already been allocated 90 per cent of its public health grant. Here is what this federal grant makes possible: many provinces are extending laboratory facilities by the purchase of new, improved and much needed equipment; no fewer than five provinces are establishing branch laboratories at strategic points; all the provinces are improving local health services by the purchase of new equipment, and by the addition of staff such as public health doctors, sanitarians and public health nurses; Quebec, Alberta, Manitoba, Saskatchewan and British Columbia are strengthening their district health units.

We are assisting plans for Quebec to immunize children in the province against tuberculosis with B.C.G. vaccine, and to extend immunization for diphtheria to outlying districts in Saskatchewan. Saskatchewan is also being assisted in establishing a very extensive dental health program. A provincial division of dental hygiene is being formed; more dental service will be given to preschool children in Saskatoon; six dental clinic units will be provided, particularly for the rural areas; and four stationary and seven mobile dental units are being fully equipped to care for 40,000 school children, as a result of the grants made to that province by the federal government.

Dental health divisions are also being set up in New Brunswick and British Columbia. Other projects made possible by this federal aid include new public health engineering divisions in Prince Edward Island and British

Columbia; a hospital inspection division in New Brunswick; extension of health education in Saskatchewan and British Columbia; and the strengthening of city health departments in Vancouver, Edmonton, Regina, Saskatoon, Winnipeg and Saint John.

(iii a) Campaign Against Arthritis and Rheumatism. Hon. members of the house will, I am sure, be particularly interested in the campaign developing in this country against arthritis and rheumatism, two of the great cripplers. I am glad to report progress to the house in this connection. The first results of recent intensive efforts are beginning to appear. The Canadian Arthritis and Rheumatism Society, formed in 1948 as a result of a conference the government authorized me to call of the provincial governments and leading Canadian authorities, has now firmly established itself. From the federal health grants, funds have been made available to this society backed up, as I say, by the nine provinces. I am informed by this body that the moneys available from this and other sources are sufficient for its immediate needs. As soon as it has completed its planning and organization work the society will, of course, require much greater financial support. This association includes the Canadian counterparts of that great English specialist on arthritis and rheumatism, Lord Horder, who came to Canada last year to assist in planning our attack and who will return again shortly to give the benefit of his vast experience.

These are some of the objectives of the Canadian Arthritis and Rheumatism Society to make 1949 a year of great advances:

1. Provincial divisions are to be organized and local branches or campaign committees set up.
2. Programs are to be shaped up for research, professional education and technical leadership for local committees.
3. The first national campaign for public support, supplementing that being given by governments at all levels, is to be carried on later this year.
4. The society's advisory medical board is preparing an over-all plan that will play a role in the Canadian health scheme similar to that of Lord Horder's plan in Great Britain.

I know this announcement will be received by over six hundred thousand people in this country with great interest and acclaim, and I am sure that the house will follow with interest the work of this society and will endorse my determination to give it every necessary support beyond what appropriately, as a voluntary agency, it will ask from the people of Canada for whom arthritis and rheumatism are such major health problems. British Columbia is taking action against these diseases and Alberta, I presume with federal aid, will inaugurate a treatment program for sufferers from these diseases. The British Columbia division of the Canadian Arthritis and Rheumatism Society has been allocated funds from the federal public health grant to purchase clinical and other equipment for diagnosis and treatment. I hope to see similar divisions established in every province and to see activity in this field on the part of every provincial health department. I have every confidence that this public campaign now beginning against arthritis and rheumatism will continue to gather momentum until it can match the magnitude of the challenge of these great crippling diseases.

(iv) Grant for venereal disease control—$500,000. The house is already familiar with the federal grant for the control of venereal disease, which was instituted after the first world war and served as an example of dominion-provincial co-operative health action until it was abolished in 1932. The grant was restored in 1938; under the national health program the grant has been raised from $225,000 annually to $500,000. All of the provinces, of course, have programs to expend the original allocation; four provinces —Prince Edward Island, New Brunswick, Nova Scotia and Saskatchewan—have submitted projects to use all of the increased allotment; the other provinces are rapidly building expanded programs. Every citizen, regardless of ability to pay, can now secure treatment. Through this federal grant we are making penicillin available free in all the provinces and free treatment services are being greatly extended. From 1944 to 1948, the number of cases reported has decreased by 29 per cent. With the new measures being taken we can expect this decline to be accelerated.

(v) Grant for crippled children—$500,000. The house will, I am sure, be interested in hearing what is being done with the $500,000 that was voted last year to assist the provinces in helping their crippled children. As a result of the federal grant there are encouraging signs that the provincial governments are giving more attention to the special needs of crippled children. Here are some of the developments fostered by the federal grant: New Brunswick is extending its provision for free examination and treatment; Quebec is establishing a new treatment centre at Cartierville; Ontario is converting the Woodeden Hospital for cerebral palsy into a year-round operation; in northern Ontario a new clinic will search out children suffering from crippling conditions and encourage treatment and preventive action; Manitoba is developing a rehabilitation program; Saskatchewan is setting up a new provincial health division for crippled children. All this—and this is important—

is being done as a result of the national health program announced in this house less than a year ago.

The federal grant makes possible the extension of services for polio victims in Alberta. It makes possible the purchase of new and modern equipment for three of the British Columbia hospitals that treat crippled children. In all the provinces an accelerated preventive and treatment program to help crippled children can now go forward in full vigour, largely due to the stimulus provided by this national health program.

(vi) Grant for Mental Health—$4 million to $7 million. The problem of mental illness in Canada has become increasingly urgent over the past twenty years. It is a problem that challenges every political party and civilized man in this country, regardless of race or political affiliation, and it is in that spirit that I approach it.

Mr. Deputy Speaker: I am sorry, but I must inform the hon. member that his time has expired.

Some hon. Members: Go on.

Mr. Martin: I thank hon. members, because I think the house and the country will be interested in this statement. The fact that there are now 50,000 patients in mental hospitals in Canada is ample evidence of the magnitude of this problem and of its cost in loss of productivity and in human suffering. Mental illness is being countered in many ways. The mental health grant and, to a lesser extent, the professional training grant are helping to provide additional workers in the mental health field; the hospital construction grant is helping to remedy the pressing shortage of some 27,000 hospital beds for the mentally ill; and, finally, the mental health grant itself, which stands at $4 million for the current year but will rise to reach $7 million, is bringing invaluable aid to provincial programs for enlarging hospital staffs, for increasing treatment facilities and extending the work of prevention.

The impact of this grant on mental health programs already is evident. The latest scientific, diagnostic and treatment equipment is being provided in large quantities for mental hospitals, mental health clinics and psychiatric wards in general hospitals. Special X-ray, surgical and laboratory equipment, badly needed in many of the provincial mental hospitals, is now being furnished along with equipment for modern treatment techniques and for occupational therapy. In Saskatchewan, for example, this federal grant has already made possible the allocation of over $50,000 for equipment. In Quebec, the provincial program will be greatly assisted through the federal grant to the Mont Providence hospital for mental defective, although plans have not yet been finalized to take advantage of this year's federal grant of $1,140,000 for mental health.

British Columbia has used a substantial portion of its mental health grant to equip the new Crease Clinic of Psychological Medicine, which will be when completed, among the most modern on this continent. Similar preventive and treatment services are being extended through the establishment, with the help of the federal grants, of fourteen new mental health clinics in Prince Edward Island, Nova Scotia, Manitoba, Saskatchewan, Alberta and British Columbia. In the wider extension of these clinics and of all preventive measures, we see the promise that mental illness will be brought under much more effective control in future years. With this federal assistance, as every one of the provinces readily acknowledges, because it is a co-operative effort, it now becomes possible to make a direct attack on this disease that will progressively shift emphasis from custodial hospital care to modern diagnostic, treatment and preventive services.

I have reserved to the last my comments on the progress that is being made under the national health program to bring tuberculosis under control and to combat the ravages of cancer. I link these diseases deliberately because from our victories—when I say "ours", I mean those of the provincial governments, voluntary bodies, tuberculosis associations, this parliament and the people of this country who work in this field—our victories, I say, in connection with tuberculosis, can inspire us to greater efforts to conquer cancer. Of course, final victory over cancer can only follow great research discoveries, but there is much ground that we can win back in the years immediately ahead.

The number of notable projects under the tuberculosis control grant is too great to be noted in the time at my disposal. With the indulgence of the house, I should like therefore to place on *Hansard* for its information a brief summary of the major activities sponsored so far by this grant.

Some hon. Members: Agreed.

Mr. Martin: The statement follows:

Projects Approved Under Federal Tuberculosis Control Grant, 1948-49

Prince Edwards Island. Free diagnostic x-ray service, clinical laboratory services, and streptomycin and other drugs have been made available to patients. A medical director has been hired to organize a field tuberculosis service and the provincial tuberculosis control division has been expanded through the addition of new staff and equipment. A rehabilitation program has been commenced, and assistance has been given to the maintenance of a mobile x-ray unit and to the provincial educational program.

Nova Scotia X-ray equipment has been purchased for the Victoria General hospital in Halifax, to enable all admissions to be x-rayed. Equipment has been purchased for the Nova Scotia sanatorium at Kentville and the activities of the rehabilitation division of the sanatorium have been expanded.

New Brunswick. Provision for free streptomycin has been made in sanatoria and an x-ray developing centre has been established to assist traveling units. Equipment has been purchased for the Saint John tuberculosis hospital, the Jordan Memorial sanatorium, the Moncton tuberculosis hospital, Sanatorium Notre Dame de Lourdes and Saint Joseph's sanatorium; and for clinics at Saint John, Fredericton and Moncton. A physician has been added to the staff of the Jordan Memorial sanatorium.

Quebec. Four mobile diagnostic clinics and a permanent clinic at the Hopital Notre Dame have been established. Provision has been made for free streptomycin treatment to sanatoria patients. Equipment has been purchased for sanatoria at Montreal, Mont Joli, Gaspe, Three Rivers, Dorchester and Cartierville. Eighty-five physicians have been given lectures in the use of B.C.G. at the University of Montreal and aid has been given to the Anti-Tuberculosis League of Montreal.

Ontario. Free streptomycin treatment has been made available to sanatoria patients, provision is being made for all patients admitted to hospital to be given routine x-rays and the number of free chest clinics is being expanded. A mobile x-ray unit has been purchased. A rehabilitation scheme has been commenced. Laboratory investigations are being extended in scope and diagnostic procedures developed. The tuberculosis control staff of the province is being expanded and specialists from outside the province are being brought in for advisory services.

Manitoba. Provision has been made for streptomycin and other antibiotics or treatment not covered by ordinary sanatorium rates to be supplied without charge. Free post-sanatorium pneumothorax treatment has been extended. X-ray equipment is being installed in general hospitals. Rehabilitation services are being extended and facilities are being provided for the establishment, at the Manitoba sanatorium, of affiliation courses for nurses. Sanatorium, clinical and laboratory facilities are being extended by the purchase of new equipment.

Saskatchewan. Photofluorographic equipment is being purchased for hospitals and clinics. Hospitals and clinics are being assisted to take x-rays on all admissions and the mass miniature x-ray program is being expanded. Provision has been made for the extension and development of the use of streptomycin. The existing program whereby B.C.G. vaccination is given to persons exposed to tuberculosis is being assisted. Post-graduate training is being given to staff physicians and the present tuberculosis staff is being expanded.

Alberta. Free treatment has been extended to non-pulmonary tuberculosis cases and a free streptomycin service is being provided. Clinical x-ray equipment to extend diagnosis services to remote areas, and technical equipment for the sanatoria in Calgary and Edmonton have been purchased. A short training course for nurses has been established at Calgary and the provincial tuberculosis staff has been expanded.

British Columbia. The province has purchased x-ray survey equipment for general hospitals so that all admissions may be x-rayed. Provision has been made for free distribution of streptomycin. An occupational therapy scheme for outpatients has been set up under the Metropolitan Health Committee of Vancouver. Equipment has been purchased for the Vancouver unit of the provincial tuberculosis control division, refresher courses are being given to various members of the division, and a study is being made of emotional and other factors related to the treatment of tuberculosis.

More than two-thirds of this year's grant for tuberculosis control has already been allocated for new or expanded provincial programs. Let me remind the house that in the last fifty years in this country the death rate from tuberculosis has been reduced by 80 per cent. In the past twenty years it has been reduced by 46 per cent. This is perhaps the greatest single achievement in our public health history. It is certainly a challenge and an inspiration to all of Canada's health workers. The objective of our tuberculosis program for the next generation is nothing less than the elimination of this disease as a major cause of death and illness among our population.

The provinces have shown great energy in moving forward to an all-out attack on tuberculosis under the stimulus of the federal grant, which starts at $3 million and rises to $4 million annually. Already four provinces —New Brunswick, Alberta, Saskatchewan and Ontario—have applied for 90 per cent of their first year's allotment. The federal aid makes it possible for all the provinces to extend the reach of free diagnosis and treatment, and to provide free streptomycin, often effective against this disease. They make it possible for new equipment to be supplied in large quantities, and for new staff to be trained for the provincial sanatoria.

Because of the federal grant, Nova Scotia, Ontario, Manitoba and Saskatchewan are now buying additional X-ray equipment so that general hospitals can examine all admissions. Ontario will be enabled to have every admission to hospital given a chest X-ray. Because of the federal grant, new mobile X-ray units are being established in Prince Edward Island, New Brunswick and Quebec to help discover early cases. As a consequence of these federally-assisted measures, the number of chest X-ray examinations in Canada will be increased by one million a year! This vast increase in anti-tuberculosis activity means a larger number of cases isolated in time to prevent them from spreading their contagion to other members of their family and community. It means shorter stays in sanatorium, more cures, fewer deaths, and ultimately, I am confident, complete and final victory over an illness that at one time ranked very high among causes of death in this country.

What we have done and what we are now doing about tuberculosis, we can and we must do in the other phases of the public health field in Canada. Canada has good reason to be concerned over the steadily growing number of deaths from cancer. The house will recall that shortly after I became

Minister of National Health and Welfare, taking advantage of the preparatory work that had been done by my predecessor, the present Minister of National Defence, I called together representatives of the provincial governments, the medical colleges, the Canadian Medical Association, the Royal College of Physicians and Surgeons, the representatives of public voluntary bodies, to determine what action on a national scale could be taken to co-ordinate activities designed to effect cancer control. As a result, this conference decided to establish the National Cancer Institute, with which the Canadian Cancer Society is now affiliated. The institute was provided with funds to sponsor a large research program of which I have already made mention. I want to pay my tribute today to men who deserve the undying thanks of this generation of Canadians for what they have done in the field of cancer.

History will record what the people of Canada owe to this institute and to those who brought it into being, particularly men like Dr. Blair of Saskatchewan, Dr. Richards and Dr. Boyd of Ontario, Dr. Simard of Quebec and others who joined with me and my officials in a determined all-out attack on cancer. This action was followed by my recommendation to my colleagues in the government that a special grant for cancer be included in the national health program—a grant not included, by the way, in the proposals originally made to the provinces in 1945-46.

I have not mentioned the names of all those who collaborated with us in this enterprise to form the National Cancer Institute, but I have spoken of Blair and Richards and Boyd. Dr. Blair died a few months ago in the prime of life from heart trouble, due to the energy put into his work on behalf of the institute and of cancer generally; Dr. Richards died likewise a few months ago of leukemia, due directly to his work in the treatment of cancer. Dr. Boyd, I am happy to say—and with his approval—has himself recovered from cancer because of early diagnosis and efficient treatment. He is an example of what can be done with an effective program for cancer control.

Mr. Speaker, we will not have fulfilled our obligation until every person suffering from cancer in Canada is assured of the same opportunities for a successful result as that achieved by Dr. Boyd.

Through the cancer control grant, provincial programs can now be strengthened immeasurably. Saskatchewan, with an extensive and excellent program initiated 14 years ago, already has been allocated its full cancer control grant, freeing provincial funds for other purposes, as, for example, to combat arthritis and rheumatism. In most of the provinces, great activity is now developing under the cancer control grant. For example, Prince Edward Island is establishing two free diagnostic clinics and providing free tissue service; New Brunswick is purchasing $50,000 worth of cancer therapy equipment; cancer control activities are being actively supported in Quebec; in Manitoba, the federal grant is partly financing free diagnostic and radiation treatment; Alberta's excellent program for free diagnosis and treatment is being supported. In most of the provinces, money is being set aside from this federal grant to support the research being carried on by the National Cancer Institute.

In every province plans are going forward to take full advantage of the federal grant for cancer control. Our objective should be to have available within reasonable distance of every Canadian citizen a detection and diagnostic service to discover cancer in its earliest stages and to direct the patient to a properly-equipped and well-staffed treatment centre. The establishment of such centres is already being encouraged by the federal grant and in this trend lies much of our hope for further advances.

I have made this summary, and taken advantage of the patience of the house, because I believe that the country is interested in this report. I believe it wants to know how this money is being spent, and with what results. But I would not want to leave in the minds of the members of this house the impression that these new developments in any way reflect on the efforts made in previous years by provincial heatlh authorities to cope with problems that are basically their responsibility. This is too important a matter for political criticism. I feel that I should tell the house that, whatever my disabilities may be, I have thrown all my energies and my offices into this plan because I think that no man in public life in the last quarter of a century has had as great an opportunity for public service as that given to me through my administration of this plan.

For many years the provinces have been struggling with the manifold difficulties that present themselves in the field of public health, and they have developed excellent health services. But rising costs, the increase in our population, the aging of our people—these and other factors have increased intolerably the weight of provincial health programs.

Because of this, the federal government, in view of its national concern for the health of the Canadian people, has provided

financial assistance to enable provincial governments, within the framework of our constitution, to carry out better their health responsibilities. Behind our thinking in setting up this national health program was the conviction that the energy our people had shown in war could find full expression in peace through efforts such as this to open to every citizen new opportunities for good healh. On all sides there is evidence of unprecedented activity.

In all efforts to lead this country into an era of better health we can take encouragement from recent progress. Let us compare the period 1945-47 with 1921-25. What do we find in this quarter-century? General mortality has decreased 16 per cent, infant death rates are down by 51 per cent, and maternal death rates by 64 per cent. There are many other encouraging trends. There are also some disheartening figures, but the over-all picture is bright. This is strikingly indicated by the fact that life expectancy at birth for Canadians has increased by 5 years for boys and 7 years for girls in the brief period since 1931.

In all that I have been saying today I feel this house can discern, because of the constructive action it took last year, the true pattern of health progress. The national health program is the latest in an impressive series of major acts of the federal government, in co-operation with provincial and municipal governments and with voluntary health and welfare agencies, to widen in Canada the jurisdiction of social justice. In the working out of this program, the medical, dental and nursing professions, the associations of professional and voluntary health workers and—in particular—the ministers of health and the governments of the provinces have given invaluable assistance and encouragement, indicating their conviction that the federal program represents a major advance in the continuing evolution of better health services for the Canadian people. May I say by way of conclusion—and again I thank the house for its patience—

Some hon. Members: Oh, oh.

Mr. Martin: My hon. friends clap. I want the country to know that I am dealing with the national health program which has been called the most important in Canada's health history.

Mr. Casselman: Let us have it all.

Mr. Martin: This house has now heard my account of how—less than half a year since the first provincial request was received in Ottawa—this program is vastly strengthening the entire structure of provincial health services for the people of this country. Let me call the roll of achievement:

One hundred and sixty million dollars in the next five years in federal health grants to the provinces.

Nine province-wide health surveys underway.

Six hundred provincial health projects approved.

New projects coming in at rate of $200,000 a day.

Federal aid this year for building hospitals totalling 13,000 beds.

Five hundred and thirty-seven health workers already being trained.

One million more chest X-rays this year.

Health research raised beyond $1,250,000 a year.

Canada's federal health grant program twice per capita that of United States.

Support for provincial public health programs.

More action against venereal disease.

More care for crippled children.

Great extensions of free treatment for major health scourges.

Campaigns reinforced against cancer, tuberculosis and mental illness.

Campaigns encouraged against arthritis and rheumatism.

Great advances in preventive medicine.

Foundations being firmly laid for hospital and medical care insurance.

The house will remember that all that I have said is but the beginning—part only of what has been done in a few months.

Some hon. Members: Oh, oh.

Mr. Martin: My hon. friends apparently do not appreciate the significance of this program to the people of Canada. The full potential of the national health program has yet to be realized. Our long advance towards good health, with the more rapid progress that this program makes possible, now brings us, for the first time, within sight of an age in which the Canadian citizen can be set free from many of the bonds of ill health that now restrict his creative and productive capacities. But there are many obstacles still to overcome. To every Canadian now goes the call to work with a good heart to lessen the dominion of disease so that the killers, the cripplers—all that withers and wastes human life, all that wars against happiness—will be made subject to science and human skill.

In our time we have seen governments increasingly concerned about conditions that

only governments can rectify. A transformation has taken place in our thinking: we now accept without question that there are ways to the future that only governments can open. There are hazards to human welfare that only the collective strength of the community of citizens can overcome. We have seen growing in this country the humanitarian conviction that no Canadian should be debarred from adequate health care for lack of money. For we have come to realize the truth that his nation's prosperity, and the welfare and happiness of its people, are inevitably inextricably bound up with this nation's health. This is no new discovery: this is the high concept of public service that has led governments, conscious of their responsibilities, to care for the health of their people. At this time, should we not recall to mind how well Disraeli, same 72 years ago, enshrined this truth in memorable words:

> The health of the people is really the foundation upon which all their happiness and all their powers as a state depend. Take the most beautiful kingdom, give it intelligent and laborious citizens, prosperous manufacturers, productive agriculturists; let the arts flourish, let architecture cover the land with temples and palaces; and in order to defend all these riches, have well-trained armies and a powerful navy—if the population remains stationary, if it decreases yearly in vigour and in stature, the nation must perish. This is why I consider the first duty of statesmen is in the care of the public health.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, I have listened with keen interest to the previous speaker, the Minister of National Health and Welfare (Mr. Martin). I trust he will pardon me if I do not follow his speech in detail. I am delighted to know that he is so keenly interested in his department, and that he is happily satisfied with its record, as he has given it to the house. I am glad to know, further, that, according to his report, the progress of his department is keeping pace with the general scientific progress this country is making.

May I first of all congratulate hon. members who have preceded me in the debate—whether I have been in agreement with them or not—upon the able presentation of the different points of view they have placed before the house. I would congratulate specially the hon. member for Essex West (Mr. Brown) and the hon. member for Laval-Two Mountains (Mr. Demers) upon having ably moved and seconded the address in reply.

As this is the first opportunity I have had, perhaps I might be permitted to extend congratulations to the new leader of the historic Liberal party (Mr. St. Laurent), who assumed the prime ministership a comparatively short time after the convention of the Liberal party. I know he brings to the House of Commons a splendid background of Canadian culture, legal training and high character. I trust he may have the good health to permit him to carry the responsibilities which must go with his being head of the government and prime minister of this great dominion.

May I also extend my compliments to the leader of His Majesty's loyal opposition (Mr. Drew), the leader of this party. He, too, has a splendid background of similar qualifications, involving legal attainments, experience in municipal and provincial affairs, and high character. I am sure all hon. members hope that in his youthful years he may have the health and strength which will permit him to assume greater responsibilities, as years go by.

I know all will agree that these two cultured gentlemen have brought to their respective parties satisfactory leadership; and I believe they will bring to the House of Commons those qualities which will be an enrichment of our parliamentary life in Canada.

The speech from the throne is a procedure in each session clothed with dignity. It is a dignified presentation. However, there is nothing very mysterious about it. The speech is cautiously written by the government of the day and with exacting regularity it is graciously read to both houses of parliament by His Excellency the Governor General.

Sometimes in our discussion of it we treat it as if it were something quite different. The one now before us is much the same as many others I have heard read in the past. It is full of generalities and excuses for what has not been done. This speech from the throne is more remarkable for what is not in it than for what is in it. It tells about one royal commission which has not reported, and which has dealt with matters the government should have decided. Then it asks the house to adopt a plan to name another royal commission to consider other problems which, if the government were not so tired and weary, it would undertake itself. Therefore I say that I see nothing in it of great concern, and I repeat that it is more notable for its omissions than for what it contains.

In his speech the Minister of National Health and Welfare stuck entirely and solely to his own department—and I am not surprised at that. Had I been he I believe I would have done the same thing, because I would have been prouder of my department than of some of the others. I am surprised that in the speech from the throne we do not

find any sign that we might get away from some of the weaknesses the government has demonstrated.

All hon. members desire the prosperity, happiness and welfare of our people. But that is not achieved by legislation; it is not decreed by order in council. However, there are fundamental and basic enterprises in the country which are vitally affected by trade, by taxes, by centralization of power, and by a disregard of enterprise and thrift. And in the time left to me to speak in the debate I shall confine myself to these subjects.

May I point out at once that the crippling burden of taxation in Canada today threatens to stifle the thrift of our people, and is already showing signs of strangling domestic trade as well as hindering overseas trade. Despite what anyone says, that burden of taxation has raised the cost of living in the last year.

We are told that we have adopted a new form of budgeting. I am not just sure what it is called—cyclical, or—

An hon. Member: Sickening.

Mr. Rowe: Yes, someone says "sickening". However, it is a new brain-trust type of budgeting which permits the government of the day to take from the people what it thinks it can spend or save better than the people can spend or save for themselves. The government is probably saving it up—although they spent a good bit of it down in Digby-Annapolis-Kings and Nicolet-Yamaska; and there may be a general election before long. Some say it will be in the fall, and others say it will be in June. The general public is not sure when it will be. I think the government is afraid to go, and afraid not to go.

I do know however that 250 more men were named the other day to go out to investigate people with small incomes. They are to find out if the labouring man has paid his tax. They must find out if he has made his return —the hired man on the farm, the blacksmith, the merchant, the retired school teacher, the retired clergyman. All these are men and women who are having difficulty because of the high cost of living brought about by high taxation. They are having difficulty finding the money to send their children to complete their university education. Now they are hounded by more inspectors—highly-paid inspectors—to find out if the government cannot get more taxes. Little girls and young men working as waitresses and waiters in the hotels are going to have their tips taxed. Probably the Minister of Finance (Mr. Abbott) tips more than many of us farmers can afford to tip. I do not know how they will strike an average because some must collect more than others. There is this continual effort to reduce what is left in the hands of the people by these devious methods of extracting money that the people have earned, in many cases money that they need. Last year the government took $670 million more than they needed, or $200 for every family from coast to coast.

When you stop to think of that, is it any wonder that business is falling? Is it any wonder that unemployment is increasing? Is it any wonder that our overseas markets are disappearing? I can remember how the party that now sits to your right shouted to high heaven when a sales tax of two per cent was put into force in 1920. I can still remember the tears that rolled down the face of the former Prime Minister (Mr. Mackenzie King), when the tax was raised to six per cent in 1935. The Minister of Justice of that time and the Minister of Finance said that the people could not stand that tax, that it would add to the cost of living, that it would add to the cost of a pair of baby's shoes or of the furniture needed in the home, that it would stop people from getting married. They thought that there would be thousands who would not get married because the tax was raised to six per cent. But now it is eight per cent. I am rather careful about making prophecies, even though some cabinet ministers are ready to prophesy when the next election will occur; but I venture to say that this government will reduce the sales tax before the next election, or perhaps in its present political desperation they will abolish it. They know that they do not need it. It will depend upon whether the election is to be in June or July or whether they will hang on to the last hour in the afternoon, knowing that they will never return.

Then we have the excise tax, which I believe was put into effect in 1942. I cannot say whether it will be abolished or not. I am not going to prophesy any more because one would have to be a wizard to prophesy what might happen when the brain-trust bureaucrats in the Department of Finance who direct the financial affairs of this country do not themselves know from one day to another. I would not be surprised if some day at eight o'clock the Minister of Finance came in and glibly, with a show of reckless assurance, told us that Canada's dollar is now worth only ninety cents. That would be just as much a shock to people in business as when it was placed at one dollar. Such tactics have strangled enterprise and have taken away our markets for agricultural and other primary products. That has been the result of maintaining our dollar at a dishonest value.

I do not know the inner workings of that department, but I know that many hon. members across the way do not know either. There are very few of those who sit on the front benches who know. I do not know yet why it

was done and I am sure that the brain trusters cannot give a clear explanation of why they recommended that it be done.

I am not going to enlarge upon the burden of taxation, because everyone in this country knows what it means. This country was not developed under high taxation and this country cannot expand under it. The people of this country cannot afford to pay the high rates of taxation in vogue. The government know that, whether they will admit it or not. It may not make much difference now because a few hundred million does not seem to be very much in the eyes of the present government. As they are going to be in office for only a short time now I suppose we can stand the inflationary tax structure that we have.

Canada is a strong and powerful country. No country in the world with the same-sized population has ever had the same resources that we have. During the war we showed what a virile people we were. Our people must be strong to have endured this type of administration as long as they have. I am satisfied that they can endure it for a short while longer. As someone said the other day, there is bound to happen what happened in the hungry nineties, in the emergency of 1911 and again in the emergency of the thirties. Each time the Liberal party got the country into a mess, the people called upon the party to which I have the honour to belong.

That is not just a glib political statement, although I heard a lot of statements last night which were quite glib. Last evening we heard a tirade from the Minister of Agriculture (Mr. Gardiner), who I regret is not in the house at the moment. I have a high regard for him and I enjoy listening to him speak because over the years he has developed the rather happy faculty of being able by the use of a strong voice and experienced eloquence to convince himself and recklessly assure himself that all is well, whether that belief is based on fiction or on fact.

I listened last night with as keen interest as any fellow farmer of his could listen. I heard him tell us about the trade situation in Great Britain. I made some notes at the time but when I read his speech in *Hansard* I did not recognize my own notes. Knowing that *Hansard* never makes a mistake I shall not bother referring to them. However, I think I can remember the things that were worth remembering during the noise and bluster of a most eloquent effort.

Despite what the minister has said about our overseas markets I do know, as every hon. member in this house knows, that Great Britain has drastically cut her imports of foodstuffs from Canada. She has drastically cut her importations of salmon. She has abandoned her importations of poultry and apples. She has reduced her timber imports to only a fraction of pre-war quantities. She has reduced her bacon imports to one-quarter what they were in 1943. She has reduced her egg importations from Canada to 62 per cent of what they were last year, and her cheese imports are the lowest in thirty years.

Not long ago the Minister of Trade and Commerce (Mr. Howe) said that that will not matter very much because we can sell to the United States. The Minister of Agriculture told us that in selling our wheat to Great Britain for hundreds of millions of dollars less than we could get for it on the world market we were building up a stable market. I think these men should get together. Last night the Minister of Agriculture said that we had not lost anything. About a year ago the Minister of Trade and Commerce (Mr. Howe) said that in 1946 Canada sold her wheat for $123 million less than she could have got in the world market, in 1947 for $229 million less, and in the first two months of the following year for $358 million less.

In a press release the Prime Minister (Mr. St. Laurent) is quoted as saying that the two governments have already agreed that their representatives shall meet again before the 31st July, 1950, to settle any obligation that the United Kingdom owes Canada under clause 2(b) in selling wheat for that much less. Whom are we to believe, Mr. Speaker? One minister says we are building up new markets in the United Kingdom. Another minister says that we have lost them but it does not matter because we have markets in the United States. One says it has made us money; the other says it has lost us money. I am not surprised that the Prime Minister found it necessary to take dancing lessons to keep step with the crowd around him.

Never in the history of the agricultural economy of Canada have we seen such a socialistic state-planning muddle. The situation is muddled and befuddled by one who claims to be a free enterpriser, but he is always looking over his shoulder to satisfy those who recently have been courting so closely that in the next few months, probably before the election, you will see the greatest political marriage Canada has ever seen. That is not by way of prophecy; that is only by way of warning. I want to say to my friends to the left, as I would say to any maiden who is looking at an old politician, "Be very careful whom you marry at the present time".

Mr. Knowles: Do you think Duplessis is a maiden?

Mr. Rowe: You will recall, Mr. Speaker, that last night the right hon. Minister of Agriculture (Mr. Gardiner) went back to a time before the war. He went back before 1930, but his remarks were slightly different from the speech he made last year. He mentioned Bennett buggies last year and he did not mention them this year. I have never seen him make a more eloquent attempt; I have never heard him speak more loudly; I have never heard those behind him pound their desks more vigorously, particularly when they thought interruptions might threaten. There is not one within the sound of my voice, including yourself, Mr. Speaker, in your non-political position, who does not know that we have lost the British market. There is not a member in the house who can rise and tell me that we now have a market for as many farm products three years after the last war as we had in 1921, three years after the first great war, despite all the progress reports we have listened to this afternoon.

The Minister of Agriculture says he has been here for fourteen years, but so have I. I know something about the policies of the party to which he belongs. I was amazed last night, despite the experience he has had, that he expected even you, Mr. Speaker, to believe that my party never believed in trade, that it never had respect for the provinces, that it never had trade overseas, that it was his party that championed the old, dusty, free-trade doctrine in the west and protection in the east until the radio came into being and the people of Canada knew that there could no longer be high protection in the east and free trade in the west.

We have the highest protective policy now that this country has ever had, an austerity program, not prohibitive protection but austerity prohibition. Thousands were put out of business. Ten per cent has been put on right across the board, not even in the form of the countervailing duty that the party to your right, Mr. Speaker, planned in 1930. At that time they planned a countervailing duty, and left the determining of our fiscal policies to Washington. I am not so sure that, when they planned to inflict a dishonest dollar on our economy, that was not planned in Washington also.

I should like to reply to the warnings of dangers that I heard in the house last night. Let me refer to 1921, as the Minister of Agriculture did last night. That was the time when the Liberal party assumed power. Three years after the first great war we were selling to the United Kingdom 255 million pounds of bacon. That was the market built up by those who never had any regard for trade. What do we find now? We find that, despite the fact that the Minister of Agriculture told the farmers of Canada that they could depend on Great Britain taking a stable amount of about 450 million pounds, he has recently announced that Great Britain will take only 160 million pounds this year. By all the signs of the times the deliveries will be less than that.

Mr. Bertrand (Prescott): Is that Canada's responsibility?

Mr. Rowe: In 1921 we sold 77 million pounds of beef to Great Britain. In 1930, when the Liberal party went out of power and the Conservative party came into power, we were buying and selling Danish bacon over the counters in Regina and other cities throughout Canada. We were buying canned beef, 18,000 head of cattle in cans, to feed our own people.

Then let us take butter and cheese. In 1921, three years after the first great war, we sold over twice as much cheese as the right hon. Minister of Agriculture has been able to make arrangements to sell. Yet he is the great champion of trade, the great negotiator for agricultural products, the man who has taken unto himself more authority than any other minister has since confederation, the man who can tell you what to sow and who can tell you what to reap, the man who summerfallows the farms one year and summerfallows the farmers the next, the man who has cost the western provinces $300 million to $500 million. If there should have been any cost to anybody in Canada by reason of such muddling because of inexperience, then the cost should have been spread over the whole dominion and not imposed on one class of our people. I know whereof I speak. I do not pretend to be able to say it with the force that was evidenced last night, but for anyone to stand up in this house, let alone a man who has been here for fourteen years, and say that the overseas markets are developed now, and that they were hindered in 1932 by the imperial trade agreements, is something which I could describe but not in parliamentary language.

Not only had we lost our overseas market for mixed farm products, but every elevator in Canada was filled with unsold grain. The Minister of Agriculture led us to believe that he could make these people pay whatever was asked for wheat, and that we would always find a market for our wheat. What happened? The Liberal party negotiated more trade treaties between 1926 and 1930 than any other party has in a similar number of years. They bragged about the number of treaties they negotiated, and yet we find our markets

are steadily slipping away. Now we have a repetition of the old song, "twenty-one years is a long, long time." It is a long time since 1921. Canada has made some progress. It is very fine to get up and say we sold ten million dollars' worth in 1928 and that we sell only four hundred million dollars' worth now. That does not mean anything more than a woman saying that in 1929 she bought a better hat for $1.98 than she bought last week for $19.70. You do not compare things that way. If you do, why is our dollar today worth only about fifty cents or one-half of its former value?

As I have said before, Mr. Speaker, we must now face the stark facts. It is no longer fiction as far as the apple growers of the Annapolis valley are concerned. It is no longer fiction as far as the mixed farmers are concerned; and when this government get through "margarining" the dairy industry it will no longer be fiction to them either, when they find they have lost their markets for cheese and other products. I say the hour has struck, and this government should stop, look and listen. I do not want to be unduly critical, and I am not easily alarmed, but never in all my experience have I seen such a fiasco as our negotiations with the United Kingdom. If anyone has any doubt of that, just look at what happened. If those negotiations had been successful the right hon. Minister of Agriculture (Mr. Gardiner) would have referred to them in very different terms, and would have told us what had happened.

As a kindness to the minister, and in order to help him out, I want to try to explain to the house where I think we have fallen down to a great extent. For many years, both before and after I entered this house, we had those who wanted us to think there was something mysterious about the party of which the minister was speaking last night. On one occasion the Right Hon. Mr. Bennett happened to say that we would blast our way into the markets of the world. That was just a figure of speech; I have heard worse many times from the other side of the house, from both the front and the back benches. What he meant, as he often explained, was that we would try to get those markets, by buying more of their goods, by making trade agreements, or in other ways. The old, historic Liberal party is the one that was in existence, Mr. Speaker, about the time you came into public life. It is not the one that is veering toward socialism, with all these novel doctrines of state planning. It is not the party we see today picking up all the tag ends of other groups who are beginning to lose their identity. It was the old party that believed in free trade, who said, "If we want to sell our products in foreign markets they must be able to buy." In those days we who came from the province of Ontario were regarded almost as enemies of the state because we believed in a fiscal policy which would give reasonable protection, which would provide full dinner pails for the workmen who made agricultural implements for use by our own farmers. Why, those sitting on the government side in those days thought you had almost economic horns if you even mentioned protection. Yet within about three years they brought in what were called countervailing duties. I am not surprised that some hon. gentlemen to your right look astonished, and do not understand what that means. The government which brought them in did not understand them either, until it was pointed out by the then leader of this party that this was a new form of Liberal free trade which from that time on would be amended in Washington, so that whenever Washington put on a tariff of fifty per cent we would increase our tariff to fifty per cent also. As a result we had the highest form of protection ever known in this country.

These doctrines are old now, Mr. Speaker, and perhaps it is unnecessary to talk about them. Even the party to your right have forgotten about them, though by devious means they have maintained the highest protection policy this country has ever known. How my friends to my left can support and love them just the same is beyond the comprehension of those of us who used to be condemned for suggesting reasonable protection. We were asked, "How can you hope to build industries in Ontario and Quebec? How can you hope to make the implements the farmers use if we are to sell in the British market, the greatest market in the world? We must buy from the British market if we hope to sell in it." How many of us have heard that argument. I have heard it ever since I used to go with my father to political meetings. From a fiscal tariff point of view, Mr. Speaker, if the party to your right did not believe that, they did not believe anything.

But have they been consistent in that regard? Even though it was necessary, because of the financial folly of trying to maintain a dishonest dollar, to establish an austerity prohibition policy with respect to United States goods, there was no reason why we could not have bought more British goods. As everyone knows, we were short of iron and steel, to the point we expected to have steel rationing. We were short of implements and instruments. We were short of coal. We bought millions of dollars' worth of coal from the United States, and though the United Kingdom increased its coal production last year fifteen times, Canada imported only about one-seventh of her imports in 1938.

Even though we needed iron and steel hardware and implements, instruments and all the rest of it, we reduced our imports from Britain in 1948 as compared with 1947, despite the fact that the United Kingdom increased her exports to foreign countries by over twenty per cent. We took only one per cent of Britain's production. They greatly increased their exports to Finland, to Sweden, to Spain, to Denmark, to Czechoslovakia, to Poland and to the Netherlands.

Now that the party to your right, Mr. Speaker, seems to be losing confidence in its own policies, I am beginning to think they might have had something when they said that if you want to sell in a market you must enable those people to buy from you. What has happened in Britain? We find that Britain has made forty bilateral trade agreements with foreign countries, under which she has shipped her coal, iron and steel to Russia, the Netherlands, Poland and other countries, whether under the barter system or some other system. But we find that these great champions of trade promotion here, who have made one hundred and twenty-two trade agreements with the United Kingdom since the beginning of the war, are all washed up now except for three agreements other than that with respect to wheat. The one for bacon, as I say, was reduced to one quarter of what it was, and the other contract for eggs was reduced to 62 per cent of what it was. The quota for cheese has been reduced to the lowest amount we have shipped to Britain in over thirty years. We have followed this course after making one hundred and twenty-two agreements with Britain, but we were making them for one year, not for two years. Three or four of these agreements were made for two years.

I sometimes wonder, Mr. Speaker—

Mr. Church: They hang their best customer on the sour apple tree.

Mr. Rowe: I do not know whether or not they do, but I know they are paying a lot of money to uproot a lot of trees because markets cannot be found for the products, even though the government tried to give Britain some help. It is not the fault of the apple grower, nor is it the fault of the packer. In view of the Minister of Agriculture's statement last night, I should like to draw to the attention of the house the fact that not only has Britain negotiated forty new bilateral agreements with foreign countries, but many of those agreements were made for ten years. Our three recent contracts were made for only one year, and even the wheat contract terminates in 1950.

Mr. Speaker: I am sorry to interrupt the hon. member, but he has exhausted his time and can only continue with the unanimous consent of the house.

Some hon. Members: Continue.

Mr. Church: The Minister of Agriculture spoke for nearly an hour and a half.

Mr. Rowe: I thank you for the courtesy extended to me, Mr. Speaker, although I do not want to copy the weaknesses of the cabinet ministers and speak too long. Since it is close to six o'clock it would spoil a speech to commence it now, so I will continue for a few minutes.

Like the previous speaker, I feel this is of prime importance and I say it with all the sincerity I possess. If this great agricultural country of Canada loses the United Kingdom market, which has been our best market since confederation, then I say it will be a calamity for the Canadian farmer, the fruit producer as well as the wheat producer. In his speech last night the Minister of Agriculture did not tell this house why he lost those markets. He did not tell this house that the markets for which he had been paying so much are now being given to foreign countries. He did say that when he was in England he saw the reason why we could not sell apples from the Annapolis valley. He should have told the people before the Digby-Annapolis-Kings by-election. It remained for the newly elected member for that riding to tell the truth about that. The minister told us that when he was in England he saw every tree loaded with apples. Every apple tree in Britain seemed to be bearing more apples than ever before. Everywhere the minister went, he saw apples. He tried to impress the house with the fact that he did not eat anything but applesauce while he was in Britain. It was for this reason he was unable to sell apples.

I thought this was rather strange. Everyone in this house believed Britain was not importing many apples because the apple trees in Britain were loaded with fruit. We believed the British people did not need to import apples. I wanted to make sure the source of my information was correct, so I secured a copy of the Trade and Navigation Report of the United Kingdom, tabled in the British House of Commons on January 22. I believe this information, Mr. Speaker, more or less justifies the statement I have made about the noise and fiction of last night's speech replacing facts. Last year the United Kingdom imported 466,179 hundredweight more of apples than the year before. Great Britain imported more than a million hundredweight from Australia. Importations from New Zealand the year before had been nil, but in 1948 they imported 357,529 hundredweight. From other British countries, Great

Britain imported eighteen times as many apples in 1948 as she did in 1947. From other foreign countries, Mr. Speaker, Britain imported almost four times as many, 121,945 hundredweight in 1947 and 471,883 hundredweight in 1948. In other words, Great Britain imported 466,179 hundredweight more apples and yet Canada, who exported 663,145 hundredweight in 1947, is today spending several million dollars in uprooting the trees. We have not exported a single hundredweight.

When you realize that Great Britain imported 23·5 per cent more apples in 1948, it seems highly unfair to inflict this story on us. I have just mentioned a few of the things the minister should have told this house last night as to why we lost the United Kingdom market. It is because we did not buy from Britain some of the goods that were in short supply in Canada. At one time I was cruel enough to suggest that the Minister of Agriculture would make a better minister of politics. Since we are both interested in agriculture, however, I should like to suggest now that he would make a better minister of applesauce than of agriculture.

I realize that the empire trade agreements have always been matters to which those gentlemen to your right, Mr. Speaker, like to refer. I remember being in the house at the time these agreements were being discussed. I can remember many of the speeches that were made. When I heard the Minister of Agriculture mention that as a reason why Canada could not get into the United Kingdom market—well, that is too fast for me. I do not need to even refer to such a ridiculous statement during the few minutes so courteously allotted to me. I should like to say, however, that at the time the empire trade agreements were being discussed the ex-Minister of Finance and former member for Digby-Annapolis-Kings was in this house. I well recall the Right Hon. R. B. Bennett challenging him to vote against the empire trade agreements. He knew what those trade agreements would mean to the apple growers of the Annapolis valley, and when the vote came he stood up courageously as the only Liberal in this house who voted for the empire trade agreements. Mr. Ilsley is gone, Mr. Speaker, and the preference for Annapolis valley apples is gone too. So far as the government is concerned, the party to your right, Mr. Speaker, is gone too. So we see, Mr. Speaker, that the truth will out in time. I have said that you cannot bring prosperity by legislation, nor can you obtain happiness by order in council. But I believe—and I am glad there are in this country many people who still believe—that by hard work, enterprise, initiative, genius and the skill of our people we can overcome these difficulties.

I shall not, as had been my intention, take further time of the house to deal with centralization as it affects individual enterprise and initiative. But I could not help thinking about what the minister said last night when he was speaking about provincial rights. He waxed eloquent, stood out near the mace so everyone would be impressed, and said that the party to your left, Mr. Speaker, were now provincial-righters, that they had never stood for provincial rights, that he had been here for fourteen years and had never heard that they cared for provincial governments or had any regard or respect for them. He did not say that those better men of his own party and of our party established provincial rights in this country together. He did not say that the speeches that were made by many all down through the years on both sides of the house indicated a belief in provincial rights. I was somewhat amused when in the course of his speech he was critical of the leader of this party. I would ask the Minister of Public Works (Mr. Fournier) to make a note of this page.

Mr. Fournier (Hull): What line?

Mr. Rowe: I will read the lines to the minister, and I think he will be able to find them on that page. I do not want to take undue advantage of the Minister of Agriculture (Mr. Gardiner) in his absence, although he could not change the language today if he were here. He says, at page 785 of *Hansard*:

> Under the system that is being followed now it is true that we centralize criticism upon the federal government, but when the leader of the opposition (Mr. Drew) gets up and says that is centralizing government in Canada, I say to him that what we are actually doing is allowing the provincial governments to spend enough money to make themselves popular and keep themselves in power.

That was when he was waxing eloquent about provincial rights. Now at this late day in our confederation in Canada we have a great Liberal champion who will allow the provincial governments to spend enough money to keep them in power. It may not matter to him now whether they are Liberal or Conservative or if by chance they are represented by socialists. But the incident recalls to me the days when I sat in the house and heard the ex-Prime Minister say, not a five-cent piece to any Tory government.

I had intended to speak about centralization, but I am satisfied after hearing the returns from Digby-Annapolis-Kings and, again, the louder and more vociferous returns from Nicolet-Yamaska.

An hon. Member: Oh, oh.

Mr. Rowe: The hon. member may laugh, but the laugh was the other way; and he who laughs last laughs best. I have seen this country divided and I have seen the olive branch of unity tossed hither and yon. But now at last we find that we have a common purpose in this country, and that no longer can there be raised those issues that should not be raised. If anyone here doubts me when I say that we must restore enterprise, safeguard our individual freedom and revive the national character, in view of the fact that we are one of the last outposts in the world, may I say that I know there are those to your right, Mr. Speaker, who believe the same thing. I will quote only some of the statements that have been made. The Hon. Angus L. Macdonald said:

> . . . the present government has no life-lease on power; that the war psychology should be over; that unelected bureaucracy should no longer govern Canada; that provincial rights should be restored; that we should have nine happy provinces, instead of nine different countries.

Then that congenial, lovable character who has represented Quebec South for so many years and who is an ex-minister of the crown, the Hon. C. G. Power, said this:

> Ministers of the crown must abandon the practice of abdicating their functions, their duties, and shouldering their responsibilities on the shoulders of those irresponsible boards, committees and commissions.
>
> It is because we have departed from that doctrine that a large part of the unrest in our ranks has developed. Without the existence of an almost all-powerful bureaucracy it is unlikely we would have had budget by radio, restraint of trade by embargoes and prohibitions, bungling of freight rates, and a snarling of interprovincial affairs.

Of his party he said:

> . . . they should be provincial-righters instead of dominion centralizers.

He did not say that they were, but he said that they should be. Then he went on to say also:

> Our party has gone down to defeat in three provinces. This should be testimony enough without further comment.

The further comment, I would say, is in the loss since that time of three ridings in which that type of party muddling has gone down to defeat.

I wish to thank the house for the courtesy extended to me. Before it is too late, Mr. Speaker, I hope the party to your right will return to the ways they intended to take; because even in opposition in the future they will be better off if they act in such a way as to be truer to their former selves.

On motion of Mr. Matthews (Kootenay East) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall continue this debate.

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

HOUSE OF COMMONS

Thursday, February 24, 1949

The house met at three o'clock.

PRIVILEGE

REFERENCE TO LETTER IN "LE DEVOIR" OF FEBRUARY 23

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I rise on a question of privilege. In *Le Devoir* of Wednesday, February 23, appears a letter by their correspondent, Pierre Vigeant, of which the translation of one sentence is as follows:

> The C.C.F. party continues a systematic struggle against all French immigration or those who might be susceptible to becoming French.

May I say that the C.C.F. has always urged immigration into this country regardless of race, creed or language, provided that those who come here will become good citizens of Canada. May I say that in a statement issued on October 18, 1948—and this has application to the emigrés who have been the subject of discussion in this house—we said this:

> The C.C.F. fully supports the recent government decision to admit French nationals to Canada on the same basis as British nationals. But this decision must be safeguarded against opening Canada as a haven for ex-nazi collaborators of the Vichy regime.

NEW MEMBER INTRODUCED

Renaud Chapdelaine, Esquire, member for the electoral district of Nicolet-Yamaska, introduced by Mr. George A. Drew and Mr. Georges H. Heon.

WHEAT

INCREASE IN INITIAL PRICE PAID TO WESTERN PRODUCERS

Right Hon. C. D. Howe (Minister of Trade and Commerce): I wish to announce the decision of the government in regard to increasing the initial price being paid to western producers under the Canadian Wheat Board Act. As hon. members of the house know, all wheat delivered to the Canadian wheat board between August 1, 1945 and July 31, 1950 constitutes a five year pool. When this pool was first established, the initial price was set at $1.35 per bushel, basis No. 1 northern wheat in store Fort William, Port Arthur or Vancouver.

Last March parliament amended the Canadian Wheat Board Act to give the governor in council power to increase the initial price being paid to producers. At that time the Canadian wheat board had a substantial cash surplus on hand arising from its operations during the first two and a half years of the five year pool period. The government decided that at that time the initial price to producers would be increased from $1.35 per bushel to $1.55 per bushel, basis No. 1 northern wheat in store Fort William, Port Arthur or Vancouver. Accordingly the board was authorized to increase its initial price to $1.55 per bushel effective April 1, 1948. At that time provision was made whereby the board would make the new initial price of $1.55 per bushel effective on all wheat delivered to the board between August 1, 1945 and March 31, 1948. This retroactive payment involved the distribution of 20 cents per bushel on 776 million bushels of wheat and the distribution of about $155 million among producers delivering wheat to the board during the period to which I have referred.

At the end of the crop year ending last July the board again had a substantial operating surplus, and this surplus has been increased substantially as a result of sales made during the present crop year. During 1948-49 the board is selling wheat to the United Kingdom, under the Canada-United Kingdom wheat agreement, at $2 per bushel plus a carrying charge of 5 cents per bushel; the board is selling wheat for domestic purposes at $2 per bushel plus a carrying charge of 5 cents per bushel. Substantial export sales have been made to countries other than the United Kingdom at prices in excess of $2 per bushel. Having regard to these facts, and having regard to the price assurance involved for the crop year 1949-50 as a result of the $2 agreement price already negotiated for the final year of the five year pool, the government has decided that the initial price paid to western wheat producers can now be increased by a further 20 cents per bushel, or to $1.75 per bushel, basis No. 1 northern wheat in store Fort William, Port Arthur or Vancouver. This increased initial price will apply on all wheat delivered to the Canadian wheat board since August 1, 1945, and all wheat which will be delivered to the board up to and including July 31, 1950.

The government has taken the necessary action under the Canadian Wheat Board Act to increase the initial price of wheat to $1.75

per bushel, basis No. 1 northern in store Fort William, Port Arthur or Vancouver. This increased initial price will become effective on April 1, 1949. The Canadian wheat board is therefore proceeding to increase its buying price at country points on April 1, 1949. The board is also taking the necessary steps to make the new initial price effective as from August 1, 1945. This involves payment of 20 cents per bushel on all wheat delivered to the board between August 1, 1945 and March 31, 1949. The board estimates that its receipts under the five year pool up to March 31, 1949, will amount to about 1,070 million bushels; consequently producers will receive a total of about $214 million in respect to their deliveries from August 1, 1945, to March 31, 1949. When these adjustment payments have been completed, the initial price under the five year pool will have been increased from $1.35 per bushel to $1.75 per bushel, basis No. 1 northern wheat in store Fort William, Port Arthur or Vancouver, and as a result of the two adjustments in the initial price authorized by the government, producers will have received retroactive payments of approximately $370 million.

The government has decided that this payment should be made to western wheat producers prior to seeding, and to that end the Canadian wheat board will commence the distribution of cheques on March 31. As a result of the previous adjustment payment, producers' certificates for the period August 1, 1945 to March 31 1948 are now in the hands of the board, and the 20 cent payment on deliveries during this period will be issued at the rate of 40,000 cheques per day commencing on March 31. This rate of distribution is in line with the capacity of the post offices to distribute mail in excess of normal quantities, and the ability of the banks to clear the large number of cheques involved. The rate at which cheques can be mailed, in respect to wheat delivered to the board after March 31, 1948, will depend upon the rate at which producers send their producers' certificates to the board for payment.

In effecting this distribution commencing at the end of March, the government has in mind the expenses which wheat producers incur in seeding their crops and in carrying out their spring and early summer operations on the land. The government also has in mind the fact that a large number of wheat producers in western Saskatchewan and eastern Alberta harvested small crops last year. Over substantial areas yields per acre have been low for the past two seasons. Under these circumstances the government feels that an early payment in respect to deliveries since August 1, 1945 will be most helpful if made prior to seeding.

I might add that the Canadian wheat board is making arrangements to give preference in the mailing of cheques to areas which harvested short crops in 1947 or 1948.

In conclusion I should like to point out that the decision which I have announced means that wheat producers in the prairie provinces are now guaranteed $1.75 per bushel for the five-year period ending July 31, 1950, and they are still entitled to receive any surplus which may be in the hands of the Canadian wheat board after the wheat of the 1949-50 pool period has been sold.

[*Later:*]

On the orders of the day:

Mr. C. C. Miller (Portage la Prairie): I should like to ask the minister a question, arising in part out of his statement as to increase of initial price paid to western producers. Does the minister think it is necessary to insist that the producers send in the duplicates of their participation certificates when these payments are made from time to time by the board? The duplicates are not assignable or negotiable, and in view of the fact also—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member should realize that this is a question which should be placed on the order paper.

Mr. Howe: The answer is that the certificates are all in, up to March 31, 1948. I see no reason to change the procedure of the board, which seems to work very satisfactorily, though I shall be glad to call the attention of the board to the question asked by my hon. friend. Since it is a matter of internal management on the part of the board, in my opinion it is a matter for the board to decide.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 31, for the relief of Francis Thomas Joseph Cleevely.—Mr. Winkler.

Bill No. 32, for the relief of Jack William Corber.—Mr. Winkler.

Bill No. 33, for the relief of Mildred Ida Acres Wells.—Mr. Winkler.

Bill No. 34, for the relief of Wilhelmina Doris Guenette Parkes.—Mr. Winkler.

Bill No. 35, for the relief of Anita Phyllis Ticktin Sacks.—Mr. Winkler.

Bill No. 36, for the relief of Sylvia Feldman Blant.—Mr. Winkler.

Bill No. 37, for the relief of Doris Arvilla Jackson Legassick.—Mr. Winkler.

Bill No. 38, for the relief of Rose Klein Levin.—Mr. Winkler.

Bill No. 39, for the relief of Thelma Wilhelmina Wintonyk Colter.—Mr. Winkler.

Bill No. 40, for the relief of Doris MacArthur Richards Arnold.—Mr. Winkler.

Bill No. 41, for the relief of Mary Matheson Baker.—Mr. Winkler.

Bill No. 42, for the relief of Vivian Pauline Davies White.—Mr. Winkler.

Bill No. 43, for the relief of Helen Hawthorne Kuhn Ellis.—Mr. Winkler.

Bill No. 44, for the relief of Joseph Octave Jules Lapointe.—Mr. Winkler.

Bill No. 45, for the relief of Nena Ruthen Teitelbaum.—Mr. Winkler.

Bill No. 46, for the relief of Annie Gwendoline Mabel Gammon Noble.—Mr. Winkler.

Bill No. 47, for the relief of Margaret Catherine McDonald White.—Mr. Winkler.

Bill No. 48, for the relief of Howard Vincent Jones.—Mr. Winkler.

Bill No. 49, for the relief of Matilda Schneider Hutter.—Mr. Winkler.

Bill No. 50, for the relief of Robert William Phillips.—Mr. Winkler.

Bill No. 51, for the relief of Ethel Rose Katz Cohen.—Mr. Winkler.

Bill No. 52, for the relief of Edith Cecelia Cole Williams.—Mr. Winkler.

Bill No. 53, for the relief of Agnes Mathieson Metsos.—Mr. Winkler.

Bill No. 54, for the relief of Dorothy Fern Brown Lacoste.—Mr. Winkler.

Bill No. 55, for the relief of Sylvia Barnett Shane.—Mr. Winkler.

Bill No. 56, for the relief of Louise Soltanoff Rudy.—Mr. Winkler.

Bill No. 57, for the relief of Armand Boisclair.—Mr. Winkler.

Bill No. 58, for the relief of Mary Robertson Pangman Elder.—Mr. Winkler.

Bill No. 59, for the relief of Merilda Normand Maury.—Mr. Winkler.

Bill No. 60, for the relief of Janet Stevenson Ivory Stein.—Mr. Winkler.

Bill No. 61, for the relief of Reba Schulman Schecter.—Mr. Winkler.

Bill No. 62, for the relief of Helen Fulton Burns Clark.—Mr. Winkler.

Bill No. 63, for the relief of Lyford Homer George.—Mr. Winkler.

Bill No. 64, for the relief of Joan Winnifred Lewis Hawkins.—Mr. Winkler.

Bill No. 65, for the relief of Frances Lenore Roe Robinson.—Mr. Winkler.

Bill No. 66, for the relief of Philip Victor Thomas Rodbourn.—Mr. Timmins.

Bill No. 67, for the relief of Dorothy Edith Entwistle Lorimer.—Mr. Emmerson.

Bill No. 68, for the relief of William Christie.—Mr. Winkler.

Bill No. 69, for the relief of Priscilla Benning Peart.—Mr. Winkler.

Bill No. 70, for the relief of Margaret Nelson Smith Calvert.—Mr. Winkler.

Bill No. 71, for the relief of Shirley Pearl Claman.—Mr. Winkler.

Bill No. 72, for the relief of Lillian Helena Cross Page.—Mr. Winkler.

Bill No. 73, for the relief of Rosario Proulx.—Mr. Winkler.

Bill No. 74, for the relief of Micheline Lefebvre Simpson.—Mr. Ross (St. Paul's).

Bill No. 75, for the relief of Catherina Koszak Tymczuk.—Mr. Winkler.

Bill No. 76, for the relief of Anne Warnes Rice.—Mr. Emmerson.

Bill No. 77, for the relief of Joseph Edmond Tremblay.—Mr. Winkler.

Bill No. 78, for the relief of Grace Lambert Sturgeon.—Mr. Stuart (Charlotte).

Bill No. 79, for the relief of Mary Middleton Thompson.—Mr. Emmerson.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

GRANTS FOR TREATMENT OF ACUTE AND CHRONIC DISEASES

Mr. Coldwell:

1. Which provinces if any have undertaken to provide free treatment for (a) tuberculosis; (b) mental illness; (c) venereal disease; (d) crippled children; (e) cancer?

2. How many personnel are being assisted by the provincial training grant under the health grants in each province and for what professions are they training?

3. For how many hospital beds have grants been authorized under the hospital construction grant in each province for (a) acute disease hospitals; (b) convalescent or chronic hospitals?

Mr. Reid:

1. (a) Tuberculosis:

Patients are treated free by statute in Alberta, Manitoba, New Brunswick, Nova Scotia and Saskatchewan. In other provinces only a small number are required to pay treatment costs. Ninety-six per cent of all tuberculosis patients in Canada received free treatment in 1947.

(b) Mental illness:

Saskatchewan and Nova Scotia. Free treatment in the Nova Scotia hospital.

(c) Venereal disease:

Facilities are available in all provinces for free treatment.

Questions

(d) Crippled children:

No province has a completely organized free treatment program although all make provision in some degree for free treatment in cases of need and are planning to extend existing services through utilization of the crippled children's grant.

(e) Cancer:

Saskatchewan provides complete free diagnostic treatment and hospital services. Alberta provides complete free diagnostic and treatment services and limited hospital services. New Brunswick is establishing a complete free diagnostic service. All provinces make provision for free services in cases of need.

2. The number of persons receiving assistance for professional training under the health grants is shown in the table below.

3. Projects have already been approved under the hospital construction grants to the various provinces for various types of beds as follows:

Prince Edward Island—		
Mental		249
Nova Scotia—		
Active treatment		142
Quebec—		
Active treatment	1,160	
Chronic and convalescent	120	
Mental	1,269	
Tuberculosis	1,408	
		3,957
Ontario—		
Active treatment	640	
Chronic and convalescent	45	
		685
Manitoba—		
Active treatment	76	
Bed equivalents	9	
		85
Saskatchewan—		
Active treatment		15
Alberta—		
Active treatment		280
British Columbia—		
Active treatment	451	
Mental	100	
		551
Total—All provinces:		
Active treatment		2,764
Chronic and convalescent		165
Mental		1,618
Tuberculosis		1,408
Bed equivalents		9
Total		5,964

HEALTH GRANTS ANALYSIS

TRAINING OF PERSONS, ALL PROVINCES, BY PROVINCE AND NATURE OF TRAINING

(For projects approved to February 16, 1949, for fiscal year 48-49)

Province	Medical Personnel other than Psychiatrists				Mental Health Personnel				Dentists	Public Health Nurses			Sanitary engineers	Sanitary inspectors	Veterinarians	Industrial engineers	Lab. technicians	Health educators	Nutritionists	Social workers	Clerical and Stenographic	Other	Total
	Public health	Radiologist	Pathologist	Other	Psychiatrist	Psychologist	Mental health nurses	Psychiatric Soc. W.		Teachers	Supervisors	Other											
Pr. Edward Island	1									1		5	1				1					1	10
Nova Scotia					1						2	4				1						2	10
New Brunswick	1	1			1				1	3		3					2					18	30
Quebec	13	4	9	29	10		3				5	15										13	101
Ontario	9				8	20	7	10	2		8	30			5							12	111
Manitoba							1					14		8			1						24
Saskatchewan				2		3						7		6					1			150	169
Alberta	2				4					2		10		4			2	2	1			4	31
British Columbia	2		3	29		1	3	1				6					1		1	1		3	51
All Provinces	28	5	12	60	24	24	14	11	3	6	15	94	1	18	5	1	7	2	3	1		203	537

[Mr. Reid.]

Questions

BUTTER IMPORTS

Mr. Fleming:

1. How much butter (by countries) was imported into Canada in 1948?
2. How much thereof in each case was purchased by the government or Canadian Commercial Corporation or other government agencies, and how much by private importers?
3. What was the average total cost per pound to the government or its agent, including all handling and other charges?
4. What was the average price per pound paid by the government or its agent in the case of each country?
5. What was the average price at which the government or its agent sold the same?
6. What is the aggregate profit or loss to the government or agent?

Mr. McIlraith:

1.

	1948 lbs.
United Kingdom	2,225
United States	432
Australia	1,849,232
New Zealand	2,463,996
Denmark	10,079,559

2. The Canadian Commercial Corporation purchased the following quantities of butter during 1948:

	lbs.
Australia	2,240,000
New Zealand	2,240,000
Denmark	11,200,000
	15,680,000

3. The average total cost per pound, including all handling and other charges, was 73·47 cents.

4. The average price per pound paid in the case of each country was:

	F.o.b. loading port
Australia	67·50c
New Zealand	67·43c
Denmark	71·21c

5. The average price at which the butter was sold to the trade was 67·99 cents per pound.

6. The aggregate loss on butter imported is approximately $866,271.21.

*SOCIAL SECURITY—INCURABLES

Mr. McCullough (Assiniboia):

What social security, if any, is provided for persons who are incurable by reason of accident, paralysis, or other specific handicap?

Mr. Martin: I should like to answer this question orally. In another form it has been put to me twice during this session by two other hon. members. There is nothing I can add to what I have already said.

EMIGRATION TO THE UNITED STATES

Mr. Diefenbaker:

How many Canadians by (a) birth; (b) naturalization, have left Canada to make their homes in the United States, month by month, since January 1, 1947?

Mr. Maybank: No record is kept of Canadians leaving Canada.

TRANSPORTATION TAX

Mr. Lockhart:

1. When was the fifteen per cent transportation tax first applied on all transportation purchased in Canada?
2. What is the actual or approximate annual revenue derived from this tax?
3. Is any consideration being given to the removal of this tax?

Mr. McCann:

1. June 24, 1942.

2. Actual annual revenue derived from transportation tax during the fiscal year 1947-48: $20,416,941.97.

3. This is a matter of government policy.

OLD AGE PENSIONS

Mr. MacInnis:

1. How many persons received old age pensions in the (a) calendar year 1947; (b) calendar year 1948?
2. What was the average monthly pension, by provinces (a) for the calendar year 1947; (b) the calendar year 1948?
3. How many persons were in receipt of old age pensions (a) single; (b) married, for the years 1947 and 1948?
4. What was the average outside income reported by applicants for old age pensions whose applications were accepted in the years 1947 and 1948 (a) single; (b) married?
5. What was the average age of spouses (not eligible for pension in their own right) of applicants for old age pensions whose applications were accepted in the years 1947 and 1948?
6. How many applicants for pensions whose applications were accepted in the years 1947 and 1948 had spouses who were not eligible for pension in their own right?

Mr. Reid:

1. Number of persons receiving pensions under the Old Age Pensions Act at end of each quarter of calendar years 1947 and 1948:

1947	Old Age	Blind
March 31	209,029	7,311
June 30	211,603	7,384
September 30	215,889	7,476
December 31	223,364	7,872

1948	Old Age	Blind
March 31	229,158	8,476
June 30	235,947	8,842
September 30	241,032	9,140
December 31	248,289	9,425

Questions

2. Average monthly pension by provinces at end of each quarter of calendar years 1947 and 1948:

1947—Old Age Pensions

Province	Mar. 31	June 30	Sept. 30	Dec. 31
Alberta	$24.11	$24.09	$28.89	$29.41
British Columbia	24.22	24.19	24.16	29.65
Manitoba	24.53	24.51	29.44	29.71
New Brunswick	22.68	22.79	28.39	29.50
Nova Scotia	22.76	22.81	23.92	29.33
Ontario	24.52	24.52	29.76	29.76
Prince Edward Island	19.36	19.41	19.48	24.53
Quebec	24.01	24.03	26.06	29.17
Saskatchewan	24.37	24.32	24.27	29.68
Northwest Territories	24.69	24.71	24.69	29.67

1947—Pensions for Blind Persons

Province	Mar. 31	June 30	Sept. 30	Dec. 31
Alberta	$24.51	$24.51	$29.38	$29.98
British Columbia	24.59	24.49	24.57	29.88
Manitoba	24.71	24.76	29.73	29.93
New Brunswick	24.65	24.65	29.96	29.93
Nova Scotia	24.25	24.23	29.69	29.64
Ontario	24.71	24.71	29.93	29.92
Prince Edward Island	22.84	22.81	22.75	27.81
Quebec	24.73	24.65	29.88	29.75
Saskatchewan	24.83	24.79	24.74	29.84
Northwest Territories	25.00	25.00	25.00	30.00

1948—Old Age Pensions

Province	Mar. 31	June 30	Sept. 30	Dec. 31
Alberta	$29.69	$29.65	$29.56	$29.50
British Columbia	29.54	29.46	29.36	29.27
Manitoba	29.71	29.67	29.64	29.61
New Brunswick	29.37	29.33	29.25	29.16
Nova Scotia	29.19	29.02	28.95	28.86
Ontario	29.71	29.63	29.58	29.52
Prince Edward Island	24.82	25.44	26.15	26.32
Quebec	29.08	29.04	29.02	28.96
Saskatchewan	29.60	29.51	29.37	29.29
Northwest Territories	29.21	29.29	28.64	28.81

1948—Pensions for Blind Persons

Province	Mar. 31	June 30	Sept. 30	Dec. 31
Alberta	$29.98	$29.98	$29.91	$29.83
British Columbia	29.67	29.40	29.30	29.28
Manitoba	29.92	29.92	29.84	29.67
New Brunswick	29.83	29.82	29.81	29.78
Nova Scotia	29.59	29.57	29.45	29.49
Ontario	29.83	29.70	29.69	29.63
Prince Edward Island	27.91	28.24	28.37	28.54
Quebec	29.69	29.66	29.64	29.65
Saskatchewan	29.78	29.82	29.77	29.70
Northwest Territories	30.00	30.00	30.00	30.00

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3. The information is not available. One provincial pension authority shows in its annual report the marital status of all pensioners. Five show the marital status only of persons to whom pensions were granted during the provincial fiscal year. Three do not publish the information.

[Mr. Reid.]

4, 5 and 6. The information is not available and could be obtained only by a review of the files of all persons to whom pensions were granted in 1947 and 1948. The provincial pension authorities do not record any of the information requested.

Questions

UNEMPLOYMENT INSURANCE—ELIGIBILITY FOR BENEFITS

Mr. Harkness:

1. What is the minimum length of time that a person must have been in employment covered by unemployment insurance in order to be eligible for benefits?

2. What lapse of time is allowed after employment covered by the scheme ends before a person becomes ineligible to draw benefits?

3. What is the scale of benefits paid at the present time?

Mr. Cote (Verdun):

1. A person must have paid 180 daily contributions within the two years prior to his claim. In a second or subsequent benefit year, 60 of these contributions must be earned since the commencement of the previous benefit year. The two-year period may be extended to not more than four years under certain circumstances.

2. See answer to No. 1 above.

3.

Average employee contribution		Rate of benefit: Person without a dependent		Person with a dependent	
Daily	Weekly	Daily	Weekly	Daily	Weekly
(1)	(2)	(3)	(4)	(5)	(6)
cents	cents	$ cts.	$ cts.	$ cts.	$ cts.
0.02	0.12	0 70	4 20	0 80	4 80
.02½	.15	85	5 10	1 05	6 30
.03	.18	1 00	6 00	1 25	7 50
.03½	.21	1 20	7 20	1 50	9 00
.04	.24	1 35	8 10	1 70	10 20
.04½	.27	1 55	9 30	1 95	11 70
.05	.30	1 70	10 20	2 15	12 90
.05½	.33	1 85	11 10	2 40	14 40
.06	.36	2 05	12 30	2 60	15 60
.06½	.39	2 20	13 20	2 85	17 10
.07	.42	2 40	14 40	3 05	18 30

NAVAL SERVICE—MOTOR TRANSPORT DRIVERS, VANCOUVER ISLAND

Mr. Pearkes:

1. Has the government received submissions on behalf of the motor transport drivers employed at naval establishments on Vancouver island?

2. If so, to what extent has it been able to meet their requests in respect to (a) wage increases; (b) holidays with pay; (c) sick leave; (d) provision of uniforms; (e) public liability insurance for drivers?

Mr. Baker:

1. A brief has been received on this subject from Mr. R. R. Sneal, special representative, Canadian brotherhood of railway employees and other transport workers, dated 10th February, 1949.

2. This matter is now under consideration by the appropriate officers of the department, but no decision has as yet been made.

VETERANS LAND ACT—APPLICATIONS RECEIVED, GRANTED AND REFUSED

Mr. Diefenbaker:

How many applications for land under the V.L.A. were (a) received; (b) granted; (c) refused; in each of the provinces during the year 1948?

Mr. Gregg:

Department of Veterans Affairs
Soldier Settlement and Veterans Land Act

Province	(a) Applications Received	(b) Applications Granted	(c) Applications Refused
P.E.I.	167	108	108
Nova Scotia	371	376	235
New Brunswick	598	473	179
Quebec	1,842	1,666	333
Ontario	3,300	2,725	697
Manitoba *	784	937	145
Saskatchewan	1,171	1,089	420
Alberta	1,240	1,216	95
British Columbia	1,724	1,781	194
Total	11,197	10,371	2,406

*Includes the Port Arthur region of Ontario which is part of the Winnipeg (Manitoba) district of V.L.A.

Note 1. On December 31, 1947, there was a considerable backlog of applications received which had not been approved or refused. As a result more cases were considered for qualification than were received during 1948.

Note 2. The foregoing figures relate to applications for qualification to participate in benefits under the Veterans Land Act, 1942.

MINES AND RESOURCES—AERIAL SURVEYS—SASKATCHEWAN

Mr. McKay:

1. What photographic companies received contracts from the Department of Mines and Resources for aerial survey work in the province of Saskatchewan in (a) 1944; (b) 1945; (c) 1946 (d) 1947; (e) 1948?

2. What was the rate paid per square mile for aerial survey work done by each company for each of the above-named years?

3. Has the Saskatchewan government airways offered to do aerial survey work for the federal government in Saskatchewan?

4. If so, what rate per square mile was offered to the federal government by the Saskatchewan government airways for such work?

Mr. Maybank:

1 and 2.

(a) 1944—none.

(b) 1945—none.

(c) 1946—Arctic Airlines Ltd., $6 per square mile.

(d) 1947—Aero-Surveys Ltd., $3.40 per square mile; Canadian Pacific Air-Lines Ltd., $5.25 per square mile.

Rates vary in accordance with size and location of the different areas being photographed.

(e) 1948—none.

3. Yes.

4. $3 per square mile in 1948. $4 and $4.25 per square mile in 1949.

These offers were for certain designated areas.

QUESTIONS PASSED AS ORDERS FOR RETURNS

IRON AND STEEL INDUSTRY—SUBSIDIES AND ACCELERATED DEPRECIATION

Mr. Stewart (Winnipeg North):

1. What subsidies have been paid the iron and steel industry in Canada, by companies and by years, from January 1, 1938 to date?

2. What accelerated depreciation has been allowed the iron and steel industry in Canada, by companies and years, from January 1, 1938 to date?

GOVERNMENT ANNUITIES

Mr. Knowles:

1. What was the total number of individual contracts (not including certificates to persons in group plans) issued by the government annuities branch during each month from January to March, 1948, inclusive, and how many were issued from (a) April 1 to April 19, 1948; (b) April 19 to April 30, 1948; (c) during each month from May to December, 1948, inclusive?

2. What was the number of certificates to individuals in group plans issued by the government annuities branch during each month from January to March, 1948, inclusive, and how many were issued from (a) April 1, to April 19, 1948; (b) April 19 to April 30, 1948; (c) each month from May to December, 1948, inclusive?

3. What was the total number of individual annuity contracts (not including certificates held by persons in group plans) held as at the latest date for which (a) provisional; (b) final figures, are available?

4. What was the total number of persons holding certificates in government annuity group plans as at the latest date for which (a) provisional; (b) final figures, are available?

5. What was the total number of new annuity group plans put into effect during each month from January to March, 1948, inclusive, and how many were issued from (a) April 1 to April 19, 1948; (b) April 19 to April 30, 1948; (c) during each month from May to December, 1948, inclusive?

6. What was the total number of government annuity group plans (a) governmental bodies; (b) non-governmental bodies, in effect as at the latest date for which (a) provisional; (b) final figures are available?

Mr. Cote (Verdun): Return tabled.

AID TO GOVERNMENT OF CHINA

Mr. McCuaig:

1. What was the total cost of all military supplies shipped by Canada to the Chiang Kai-shek government in China in the years 1946, 1947 and 1948?

2. What was the total amount of economic aid given by Canada to the Chiang Kai-shek government in China in the years 1946, 1947 and 1948?

[Mr. Maybank.]

I. G. FARBEN COMPANY—OPERATIONS IN CANADA

Mr. McCullough (Assiniboia):

1. Is the I. G. Farben company or any subsidiary of such company operating in Canada?

2. If so, what is the nature of produce of these companies, and what are their affiliations with other companies?

POLYMER CORPORATION OF CANADA LIMITED

Mr. Murphy:

1. What are the names of the directors and officers of Polymer Corporation of Canada Limited?

2. What is the remuneration of each, including salary and special emoluments, such as bonuses and expense accounts, for the year ending March 31, 1948?

POLYMER CORPORATION—PAYMENTS TO TOWNSHIP OF SARNIA

Mr. Murphy:

1. What taxes or other contribution, since its incorporation, was made by Polymer Corporation of Canada Limited to the municipality of the township of Sarnia or to any other municipality in each of the years ending March 31?

2. Were any payments other than taxes made by the said corporation to any municipality?

3. If so, for what consideration were such payments made?

ORDERS IN COUNCIL NOT TABLED OR PUBLISHED IN "CANADA GAZETTE"

Mr. Diefenbaker:

How many orders in council passed since July 1, 1948, as at the 18th of February, 1949, were not (a) tabled; (b) published in the *Canada Gazette*?

NATIONAL DEFENCE—EXPENDITURES IN RELATION TO NATIONAL BUDGET

Mr. McCullough (Assiniboia):

1. What percentage of the national budget was spent by the Department of National Defence for 1948?

2. How many dollars were spent in each of the branches (a) army; (b) navy; (c) air force?

TEMPORARY PUBLIC BUILDINGS IN OTTAWA

Mr. Case:

1. How many temporary buildings were constructed by the government in Ottawa and suburban area for use during the last war?

2. What was the total cost of these buildings?

3. How many, if any, have been disposed of and at what price?

4. How many are still in use by (a) the government; (b) any other parties?

5. How many (a) are presently not in use; (b) have been abandoned; (c) declared non-usable?

6. Are buildings owned by the government and presently not being used by the government under supervision of a caretaker and subject to periodical inspection?

INCOME TAX

FARMERS—BASIS OF COMPUTATION—BASIC HERDS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): Can the Minister of National Revenue explain to the house what is meant by the press comment

of this morning that a new tax computation or new tax set-up is to be established for farmers?

Hon. J. J. McCann (Minister of National Revenue): I did not see the report, but I shall take the hon. gentleman's question as notice.

Mr. Graydon: If I may ask a supplementary question, has the minister any comment to make with respect to the brief submitted yesterday by the Canadian Federation of Agriculture? It has to do with a revision of farmers' income tax with respect to basic herds, I think.

Mr. McCann: I have no comment to make, other than that the directive in reference to basic herds is being given reconsideration.

Mr. Fulton: I should like to ask a question arising out of the answer the minister has just given to the hon. member for Peel (Mr. Graydon). Will the minister say whether he will extend beyond April 1, 1949, the time for filing returns?

Mr. McCann: That is a matter to which we will give consideration.

NATIONAL HEALTH

FEDERAL GRANTS APPROVED AND AMOUNTS EXPENDED

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Will the Minister of National Health and Welfare please take a look at the return which was laid on the table in response to a question I asked yesterday? The question was:

How much of the thirty million dollars in health grants has been spent to date by each of the provinces on each of the various types of health grants?

The answer is:

No figures available before the end of the fiscal year.

Order in council P.C. 3402 requires that the amount expended in the development of such projects during the preceding month shall be submitted to the minister, and so on. It seems to me there is a mistake in the answer to that question.

Hon. Paul Martin (Minister of National Health and Welfare): I shall be glad to look into it at once.

FLAX

INQUIRY AS TO SUPPORT PRICE FOR 1949

On the orders of the day:

Mr. J. A. Ross (Souris): As many farmers are now busy planning their operations for spring seeding, for which they require good seed—

Some hon. Members: Order.

Mr. Howe: What is the question?

Mr. Ross (Souris): Will the minister say as soon as possible whether there will be a support price for flax produced in 1949? Many farmers are inquiring now.

Right Hon. C. D. Howe (Minister of Trade and Commerce): The situation as to flax is so uncertain it is not likely that any decision about a support price will be made for some months to come. If any farmer is in doubt whether or not he should plant flax, I would advise him not to plant it.

HOUSING

INTEGRATED HOUSING PLAN—STOCKPILING OF LUMBER BY CENTRAL HOUSING AND MORTGAGE CORPORATION

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to ask the Minister of Reconstruction and Supply whether the government is continuing or suspending the integrated housing plan.

Hon. Robert H. Winters (Minister of Reconstruction and Supply): The hon. member was kind enough to give me notice of his question. The answer is that the integrated plan, which is under section 4B of the National Housing Act, is being reviewed in the hope that some modified form can be arrived at to overcome certain of the difficulties which occurred in isolated cases in 1948. An announcement will be made in due course.

While I am on my feet I should like to reply to the question asked by the hon. member yesterday having to do with purchases of lumber by Central Mortgage and Housing Corporation. Contracts for the construction of veterans rental units are asked on two bases: first, that the contractor supply all materials, and second, that Central Mortgage provide materials. Central Mortgage and Housing Corporation prefers the former type of contract, but their experience has been that units can be brought in for lower prices under the second form of contract. Most of the projects are proceeding on the latter basis. In order to provide materials to contractors, Central Mortgage is purchasing lumber in specified lengths. Bids have been asked for some eleven million feet for the Ontario area. Central Mortgage and Housing Corporation purchases the lumber in the cheapest market, which usually is directly from producers by car lots. However, in this particular order tenders are also being received on the basis of the lumber being stored in the local yards of the bidders, and any retailer who wishes has the opportunity to submit a tender. Tenders have not yet been opened for the transaction referred to by the hon. member.

Inquiries of the Ministry

Mr. Fleming: Will the minister give the house his assurance that no purchases will be made except after tender?

Mr. Winters: I can only say it is the policy of the corporation to call for tenders wherever that procedure is practicable.

LABOUR CONDITIONS

WAITING PERIOD WITH RESPECT TO UNEMPLOYMENT INSURANCE

On the orders of the day:

Mr. Rodney Young (Vancouver Centre): Is the government taking steps to reduce the nine-day waiting period now required between the time of application for unemployment insurance and its actual payment?

Hon. Humphrey Mitchell (Minister of Labour): The government has received no recommendation in this regard from the unemployment insurance advisory committee or the unemployment insurance commission itself. I have been informed, however, that the unemployment insurance commission is at present considering the matter. I should point out to my hon. friend that the nine-day waiting period is statutory; it is in the basic law, and it is necessary to give some consideration to the actuarial basis of the fund before any change is made.

Mr. Fraser: The Minister of Labour refers to a waiting period in regard to unemployment insurance, and says he had not received any recommendation in this regard from the unemployment insurance office. Has he received any request from municipalities throughout the country?

Mr. Mitchell: The ministers received many requests about many subjects. I should like to point out to the hon. member and to the people who have written him that the unemployment insurance advisory committee is responsible for protecting the contributions made by both parties to the scheme. In effect this is a trust fund. It is the easiest thing in the world to pass resolutions—"Therefore be it resolved that we move the earth"—but let somebody else do the moving.

Mr. Fraser: Responsible persons have written to the minister, as have many municipalities.

CLOSING OF GOVERNMENT-OPERATED FACTORIES IN SASKATCHEWAN

On the orders of the day:

Mr. Julian H. Ferguson (Simcoe North): Is the Minister of Labour aware that the premier of Alberta is about to close some government-operated factories, and that he may have to take care of a large number of people who will be on relief in Saskatchewan?

[Mr. Winters.]

Hon. Humphrey Mitchell (Minister of Labour): I think I should correct the hon. member's statement. This is being done in Saskatchewan, not Alberta.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Wednesday, February 23, consideration of the motion of Mr. D. F. Brown for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. J. H. Matthews (Kootenay East): In rising to participate in the debate on the address in reply to the speech from the throne, I should like to express a few of my personal convictions.

First, I should like to convey my congratulations to both the mover (Mr. Brown) and the seconder (Mr. Demers) of the address in reply to the speech from the throne. In previous sessions of parliament I have heard the speech from the throne described as innocuous, something devoid of real meaning and significance. No one reading this particular speech from the throne could truthfully refer to it as innocuous. Unquestionably it deals with matters of great importance to the people of Canada. His Excellency the Governor General stated correctly that the first concern of a government is to ensure the peace and security of its people. Certainly no right-thinking person could challenge that statement.

When we come to devise methods of ensuring peace and security, however, divergent views arise. Whatever methods are employed to secure the desired result, they will be conditioned by the state of the world which calls them forth.

In this present session of parliament we are to declare our stand on the north Atlantic pact. I for one give to the north Atlantic pact my wholehearted support. In a speech delivered by the hon. member for Peace River (Mr. Low), and reported in *Hansard* of Monday, January 31, at page 96, I notice a reference to the fact that his group supports the north Atlantic pact. This is evidence of their good judgment. The hon. member goes on to say, however, that the proposal to set up this north Atlantic pact indicates a loss of faith in the United Nations assembly and the security council. With that opinion I certainly do not agree. I believe that for the few years we have had a United Nations organization, it has more than justified its existence. Certainly it has not come up to our expectations, but in point of fact, Mr. Speaker, our realizations rarely ever do

come up to our expectations. In the main I believe the actions of that organization have been motivated by good will. I believe also that time will enable us to view the work of the United Nations in a truer perspective than is possible today.

No doubt there are some who look upon this north Atlantic pact as designed to provoke war. Frankly I do not see it in that light at all. My mind goes back, sir, to those memorable years that gave rise to Hitler and the nazi regime. We saw the war clouds gathering; we heard the muttering of the storm in the distance, yet we felt helpless to prevent the war. The fear of war was raised in many hearts, but we could not and did not act, other than to follow a policy of appeasement that did not appease. As we know all too well, a devastating war broke upon the world, and for six long years we fought for our very existence, until victory crowned our arms. Once again we see the war clouds gathering. Nations, our own included, are rearming as quickly as possible. What are we to do? Are we to stand helplessly aside, petrified by fear, or shall we do something before it is too late? The setting up of this north Atlantic pact is, to my mind, the effort of peace-loving nations. It is the combining of their strength to maintain peace in a world that is weary of war.

Since leaving my constituency to attend this session of parliament I have been disturbed by reports in the press that the Canadian Pacific Railway Company has decided to convert many locomotives from coal to oil burners, especially locomotives operating through the Crowsnest pass and on the Calgary to Edmonton run. There can be no doubt that the recent discovery of new and extensive oil reserves in Alberta has had something to do with this decision. Coal has steadily increased in price, along with other commodities, both to small and to large consumers. It has been said, and it will be said again, that the steadily increasing wage scales applicable to our miners have brought about this unfortunate situation. In other words the blame is being laid at the door of the coal miners of Alberta and British Columbia. It is true that wages have been increased in order to avoid work stoppages, but those wage demands have been made necessary by the steady increase in the cost of living; and a large part of the responsibility for the increase in the cost of living rests upon this government because of its mistaken policies. Had price controls been retained, these inflationary tendencies could have been curbed. It is easy to blame the coal miners for making legitimate wage demands. To any person who is inclined to do that, I would say this: you had better be prepared to take off your coat and show a willingness to go down into the coal mines and work as these men do, under the same conditions, facing death every hour in many forms.

I have spoken before in this house of the need for ample meals for men engaged in a heavy industry such as coal mining, and I do not intend to repeat those remarks today, except to say this. The housewives who prepare meals today fully realize the difference between meals of the sandwich variety and those which include vegetables, butter, eggs, bacon, cheese, and so on. Such meals cost real money, let no one make any mistake about it.

No doubt there are many who will defend the Canadian Pacific Railway Company's decision to convert their engines from coal to oil burners, but let us look at the picture. They have secured a twenty-one per cent increase in freight rates. They have increased the price of all meals in their dining cars and of all berths in their sleeping cars. What, then, is the purpose of these increases? Is it to show a favourable balance sheet at the end of the year? Is it in order that they may pay higher dividends to their shareholders? If so, I want to say that such a result will be dearly bought if it is to be at the cost of a long-established industry, and if it threatens the security of the men, women and children to whom this industry means so much. Boards of trade in Alberta and British Columbia are vigorously protesting this action on the part of the Canadian Pacific Railway Company, but the company has declared its unalterable determination to proceed according to plan. I want to tell the government that this is not the last they will hear of this particular matter.

It is only a little better than a year ago that a royal commission on coal presented its report to the government. At that time a nation-wide survey was made looking to the stabilizing of the coal industry. In view of these more recent developments there will soon be no coal industry to stabilize; for I believe that what is now taking place through this action of the Canadian Pacific Railway Company is the beginning of the end of our coal mining industry.

Before I leave the question of coal and coal miners, I wish to voice a grievance which to many of our coal miners is a source of much irritation. During the year 1947 many of our coal miners, particularly in the Fernie and Michel areas, worked steadily and qualified themselves for two weeks' holidays with pay in 1948, according to the terms of their working agreement. The house will remember, however, that last spring we suffered disastrous floods in many parts of British

Columbia. The Kootenays and the Crowsnest pass areas were terribly unfortunate in this respect. Owing to the damage to railway bridges, traffic on the railways was suspended, with the result that for three weeks our coal mines were idle. When the miners applied for unemployment insurance benefits for that period, it was refused to those who had holidays with pay coming to them. On the other hand, men who had not laboured so diligently as to qualify for holidays with pay, men who had not hesitated to be absentees, received unemployment insurance payments for the whole period during which the mines were idle. It would seem that in the unemployment insurance regulations there are still some kinks which need to be ironed out.

I now want to refer to a situation which exists at Field in British Columbia, a town in the Yoho national park. Field is a railway divisional point. It is here that the time changes from Pacific time to mountain and vice versa. Field is built on a mountainside sloping down to the Kicking Horse river. It has no sewage-disposal system. Each home has its own septic tank. Many of these have served for so many years that they overflow, to the annoyance of those who live on the lower levels. This situation constitutes a threat to the health and well-being of all the people in that particular community. To make matters worse, there is a real need of an effective water supply. Much of the water for household purposes is taken from the Kicking Horse river, which in more recent years has been polluted by the tailings from the base metals mine located farther up the river. The Minister of Mines and Resources (Mr. MacKinnon), on whose department rests responsibility for the care of our national parks, would earn the deep gratitude of the people of Field if appropriate action could be taken with respect to these matters.

We understand that the Minister of Finance (Mr. Abbott) is now preparing a budget for the fiscal year 1949-50. For two years in succession—at least this will be so when this forthcoming budget is brought down—he will be reporting to the house staggering surpluses. Consequently nearly everyone is demanding tax reductions, and I join in that demand. I want particularly to suggest the dropping of the two cent tax on soft drinks, and the return of the five cent chocolate bar. The government prides itself on its adherence to the principle of free enterprise, but certainly these taxes on the soft drink industry have had the result of almost putting some of these people out of business. It has a strong bearing as well on the question of employment. In June 1947 a tax was put on soft drinks in the state of Pennsylvania in the United States. The result of that tax was responsible for a twenty-five per cent drop in employment in the soft drink industry in that state. Our Canadian tax has had a similar effect in this country.

The 1941 census figures list 61,266 retail stores whose business includes soft drink merchandising. These 61,266 retailers help to distribute to Canadians the profits of the soft drink industry. Let us not forget that a large part of their tax-paying ability depends directly on the revenue from the sale of soft drinks. There can be no question in any person's mind that soft drinks are socially desirable. They do supply refreshment which the public demands. These soft drink taxes were first imposed as a wartime emergency system of taxation. It is high time they were removed.

Speaking of income tax reductions, I wish to point out to the government that in every part of Canada there is a group of people who are not helped by income tax reductions. The people to whom I am referring are the old age pensioners and those who are living on social service allowances. These people have taken a terrific beating during the years of inflated prices. I ask the government to think very seriously about these people and their predicament and to give them a break. The government has condoned rising prices. It has tried to win the good will of business generally. Now it had better reverse the trend or be prepared to pay the price, which will be an electoral defeat. Already the handwriting is on the wall for all to see. Last year this group, the C.C.F., took three federal by-elections in a row. This year the Progressive Conservative party have accomplished the same feat. It would seem that a flood tide is setting in, both for the C.C.F. and for the Progressive Conservative party. That can only mean that it will be an ebb tide so far as the Liberal party is concerned.

In part the speech from the throne says:

> A measure for assistance in the provision of a transcontinental highway will also be laid before you.

When people across the dominion read that sentence, some will be tempted to say, "At long last, thank goodness." But those who better understand the workings of departmental red tape will merely smile and continue to wait and see. There is no greater domestic need in Canada than a trans-Canada highway linking east and west. Such a highway will do more to create national unity than reams of paper or countless speeches could ever do.

At the close of the session last summer I motored from Ottawa to my home in British Columbia. I certainly would have rejoiced if there had been an all-Canadian highway

that I could have used. But because we have not an all-Canadian highway I crossed into the United States at Sault Ste. Marie and enjoyed the excellent paved roads provided through the states of Michigan, Wisconsin and Minnesota, returning to Canada via Winnipeg and proceeding thence west. A trans-Canada highway, paved throughout and built to standard width, would not only keep a host of Canadian motorists in Canada, but would help to bring tens of thousands of United States motorists into the country, all of whom spend their money freely for food, fuel and shelter.

The people of British Columbia have three highways leading into Alberta; the northern route from Edmonton, sometimes spoken of as the Yellowhead route; the central route through Banff and Calgary, and the southern all-year route through the Crowsnest pass. There is no need for new construction on the southern route; it is necessary only to widen it to standard width. The British Columbia government has practically completed what is called the Hope-Princeton cut-off. As a matter of fact, I understand that it is to be opened this year. They have also spent over $1 million on the southern route between Creston and Crowsnest, thus connecting up with a splendid new highway on which the Alberta government spent many hundreds of thousands of dollars in 1948. This southern highway passes through a highly industrialized area, and therefore is of greater value from a commercial point of view. Last but certainly not least, it passes through what is considered to be the most scenic portion of the mountains. It is without question the most readily accessible Canadian east-west highway for United States tourists and businessmen. With the necessary improvements made and maintained on the southern highway, no Canadian motorists should ever again have to go into the United States in order to travel from coast to coast.

Many areas in British Columbia would be benefited by an extension of the Prairie Farm Rehabilitation Act. I should like to refer particularly to areas in the Columbia valley which are crying out for water for irrigation purposes. It is not possible for the residents in these areas to provide irrigation facilities for themselves. They need government aid. The district of Wilmer in my constituency is a case in point. Here we have an area that once enjoyed irrigation through a private company. It is now suffering for want of an adequate water supply. The private company has gone out of business. Flumes have broken down and disappeared, and once fertile acres are now reverting to brush. Here, then, is an area which should be served through the Prairie Farm Rehabilitation Act. I am not yet in possession of all the details that may be required, but when I get them I intend to take the matter up further with the Department of Agriculture.

Now, sir, I wish to call the attention of the Minister of Public Works—I am glad to see that he is in his seat this afternoon—to the ever-present menace of Ripple rock on the north Pacific coast, and the need for its removal. I know it has been a headache, and it will continue to be a headache until it is dealt with. In this connection I should like to refer to an article which appeared in *Saturday Night* of February 18, 1948, entitled "Radar and whistle-listen on backstairs to Alaska", by Marjorie Freeman Campbell. The article reads:

> In the event of a third global war, British Columbia's famous inside passage will take on an importance it did not possess in either world wars I or II. For whether war comes to Canada by air, which military strategists consider the most likely method, or by water, its direction will undoubtedly render land bases in Alaska and the Aleutians a prime necessity. To help service these bases, freight will again move in wartime volume up the protected inner channel. Naval vessels will thread its maze of waterways.
>
> Under these circumstances it is of interest to Canadians to understand the channel, the methods of navigation peculiar to it, its difficulties and dangers, foremost of which is the ill-famed Ripple rock, described in the *Pacific Marine Review* as "the nightmare of the north Pacific sea lane."
>
> Representative of the many hazards of the passage is Ripple rock, a twin-headed shoal lying in Seymour narrows, in the region between Vancouver island and the mainland.
>
> Since as long as Ripple rock remains in the narrows no capital ship of the navy can use the inside passage, its removal was determined upon by the federal government as a war measure.
>
> Although the government of the United States offered its services, the Canadian government considered the shoal a Canadian responsibility. Consequently two attempts, costing in the neighbourhood of one million dollars, were made, both abortive, the first attacking the rock from a drilling barge anchored by steel cables attached to some 550 tons of concrete, the second from a barge supported by overhead cable. That Ripple rock is partly exposed for only forty-five minutes at extreme low tide explains part of the difficulties met.
>
> Over the years many millions of dollars of shipping and countless lives have fallen prey to the rock—even in 1944 the Canadian government's own hydrographic survey ship, equipped with a wealth of delicate instruments, and dedicated to locating danger spots for shipping.
>
> "He who holds Alaska," said the late General William Mitchell, "holds the world."

I want to repeat those words for the benefit of the minister:

> "He who holds Alaska," said the late General William Mitchell, "holds the world."
>
> Now, in time of peace, would it not seem good policy to eliminate the nightmare of the Alaska sea lane?

I am sure that the minister has not forgotten Ripple rock, or the vast sums of money

that have been spent in trying to remove it. It would be foolish of me to presume to tell the minister how to remove it, but in view of the menace of war which now confronts the world I submit he would do well to secure immediately the best engineering advice available in the United States or any other country in the world.

The article which I have just quoted mentions the fact that the government of the United States offered its services some years ago, but they were declined. The United States is deeply interested in the removal of Ripple rock, because the inner channel is used by their shipping as much as, if not more than, ours. In the event of another war their interest would be intensified. Would it not be wisdom and good policy on our part to hand over this problem to the United States to see what they can do with it? We have tried our best, and have failed. I suggest to the minister that it is possible that the United States may be able to adopt other methods and succeed. One thing is certain—Ripple rock must go.

Mr. Rene N. Jutras (Provencher): Mr. Speaker, I wish first of all to associate myself with those hon. members who have congratulated the hon. member for Essex West (Mr. Brown) upon the manner in which he moved the address in reply to the speech from the throne. He proved that he was fully conscious of the responsibilities that were bestowed upon him and he carried out those responsibilities in the best manner possible.

(Translation):

At the same time, I wish to congratulate the hon. member for Laval-Two Mountains (Mr. Demers). Although he was making his maiden speech in the house, and sitting here for the first time, he was, from the very start, a credit to his own people, to his constituents, to his party and to this chamber.

I also take this opportunity of congratulating the Prime Minister (Mr. St. Laurent) on his acceptance of the honourable but no less exacting responsibility of guiding a state bubbling over with activity and extending to new lands, of leading the greatest political party in this country, and of succeeding the two most eminent political leaders in all our history. I commend him for the high-mindedness, determination and warm sincerity he evinced in taking on these duties.

(Text):

I wish now to offer my congratulations to the leader of the opposition (Mr. Drew). He has begun his duties as leader of the opposition with great vigour and has succeeded in raising the morale of the official opposition.

[Mr. Matthews (Kootenay East).]

I cannot in the time at my disposal extend my congratulations to all the newcomers to this house, but I should like to say one further word to our Minister of Justice (Mr. Garson). He has already made a great contribution to the debates in this house. His coming here was a great loss to the provincial government of Manitoba, but by the same token his coming here has been our gain.

I should like to turn briefly to our diplomatic representation throughout the world. I was struck by the story contained in the annual report for 1948 of the Department of External Affairs. This report shows the growth of Canada among the nations of the world, and more particularly does our diplomatic representation throughout the world bring out that fact.

We are told in the annual report that Canada now has twenty-nine diplomatic missions abroad, eleven consular offices, four special missions, and diplomatic missions consisting of fourteen embassies, eight legations and seven high commissioners' offices. Fifty-one countries maintain missions in Canada, which reveals that the other nations of the world recognize the importance of this country and its maturity. The report goes on to state that seven new Canadian posts were established in 1948. There were established a legation in Belgrade; permanent representation to the united nations at New York and Geneva; a consulate general at San Francisco; consulates at Detroit and Boston in the United States, and at Frankfurt in Germany. During the year the legation at Rome was raised to the status of an embassy. Of course we cannot expect to see as much expansion in future years. I should like to add my voice, however, to those who have already requested the government to send a representative to Vatican City. As you know, the matter has been raised throughout the length and breadth of the nation in the last few months. Most, if not all, of the leading newspapers of the country have commented very favourably on such a move.

At this moment there is in Canada a representative of the Holy See. Most of the members must have seen the residence of the apostolic delegate on the Driveway, but I am sure that quite a few of them do not understand the function of such a representative. The office of apostolic delegate has been in existence for nearly fifty years. Although it is in all senses of the word a permanent mission to Canada, nevertheless it is a purely religious one. The apostolic delegate acts in the name of the Pope in relation to the episcopates of the country. That is his only function. If we were to send an ambassador to the Vatican, however, the

office of the apostolic delegate would then be raised to the status of a nunciature. Then he would have a twofold mission, the same mission that he has now, to be the representative of the Pope to the episcopates of the country, and secondly, a diplomatic mission to the government, the primary purpose of which would be to improve relations between the state and the church.

To those who might see in this situation an occasion for the church to encroach upon the rights of the state, let me say that they need not have any fear. History proves that the church knows her place. It would be against her traditions and against her interests to do so. If one needs to be convinced he has only to look at China, one of the most pagan countries of the world. China has exchanged representatives with the Vatican for a great many years. The same thing applies to Japan. Surely no countries could be found with views more divergent from those of the Vatican. Yet there has never been an instance of encroachment either way. Therefore the real advantages to the church, in having such a diplomatic exchange with this country, would be very small indeed compared with the advantages that Canada would derive, because I am sure that most members will agree with me that, particularly at this time, the church is the strongest rampart against communism. It is the one force that will never surrender under any circumstances. That is why the church is so ruthlessly and relentlessly attacked in all countries where Russia, if she is not the dominating factor, at least has great influence.

Today, when so many countries are confined behind the iron curtain, the Vatican offers a special vantage point to survey that particular problem, and all other problems of the world. Again, if one is looking for an example, during the war Hitler, even when he was persecuting the church, maintained a diplomatic representative at that vantage point in order to have better knowledge of the situation. I think it is common knowledge that the diplomats of the Holy See have always enjoyed the highest prestige of any diplomatic representatives. Above all, in my opinion, the diplomats of the Holy See epitomize the Christian spirit. On that basis alone, does one need to say anything more? I hope that in the near future we will take our place at this highly cultural, highly intellectual, and highly strategic centre.

I should like to deal more particularly with export trade. I do not claim to be an expert on export trade, but I do claim the ability to read the English language. At the present time there is no doubt that our export trade is very good. There are signs, however, that point to certain dangers at this very moment. If one analyses Canada's export trade for the last year, one finds that half of our export trade has been paid for by loans from Canada and ERP authorizations. Therefore what that means is that, if those two factors are removed, our export trade will drop by at least 50 per cent. When you couple that fact with last winter's announcement that our best buyer of wheat did not have any money to pay for it, it raises a very definite challenge, a challenge similar to the one that was placed before Canada and the United States after the first great war. It is not merely a challenge to the farmers; it is a challenge to the whole nation, because surely nobody will propound the thesis now that there can be prosperity in Canada with no export market for agricultural products. If that part of our economy drops, then the rest of the economy of the country will follow in the wake of it. Therefore I say it raises a definite challenge similar to the one that was raised after the last war.

You remember how we came out of the war with very large production in Canada, and our buyers in Europe practically all broke, and with no facilities to pay for our goods. It was at that time that the Liberal government went to the people. At that very time it made arrangements and it had made arrangements before, to take care of the challenge. We know today that the Liberal government met the challenge very successfully. The official opposition of that day had nothing to offer. They even tried to ridicule the promises made by the government that they would maintain prosperity in the country. They were so sure of themselves that they just sat back complacently, expecting that their hopes would materialize, and that there would be no prosperity in the country. The same thing could be said of our friends of the C.C.F. During that time they put on a frantic act to try and stampede the western people especially into taking cover under their protecting wing.

Mr. Wright: What period are you speaking of?

Mr. Jutras: I am speaking of the period after the last war, when this government went to the people. That was exactly the position your party took at that time. You went throughout the country saying the government had no way of controlling these matters; and you pointed also to this great, black, rolling cloud of depression that was coming and was going to burst upon this nation, saying the government was absolutely helpless to do anything about it. Today your party is singing quite a different tune. They say there were no clouds at all, that all was well; but that was not the story you put out at that

time. It was under those circumstances that the United Kingdom wheat agreement was signed. At that time, after the last war, there was quite a feeling of dread and anxiety among farmers throughout the three prairie provinces, and quite a bit of uncertainty as to the future.

Mr. Wright: Is there not today?

Mr. Jutras: I think the hon. member will agree that at that time the farmers were not ready to return to the previous method of marketing. They demanded stability and security. It is one thing not to get the highest price. It is another thing to operate at a loss; to see our farms mortgaged one after the other; to see our children clothed by charity; to see our schools closed; to see our governments staggering under a huge load of public debt and the municipalities with taxes unpaid to the point where they are absolutely stymied. That is an entirely different story. In the last few years we have heard a great deal in this house about losses, but the great propagandists of those losses have been very careful to pick out a few years which suit their own purposes. They did not go over the whole record. We heard nothing about the time the farmers were actually operating at a loss.

I think it should be pointed out particularly at this time that this nation owes a great deal to the farmers of Canada. All through the depression the farmers not only did not get the highest price or even a decent price; they operated at a loss. But they fed this Canadian nation without flinching. They mortgaged their farms; they even mortgaged their provinces, in the case of the west. The farmers did not go on strike but kept on feeding this country at a loss all during the depression years. If one were to try to compute the debt this nation owes the farmers my hon. friend from Souris (Mr. Ross) would not be even close with the figures he obtained from the Winnipeg grain exchange. These are the losses the farmers do not want to have to bear again. If one were to take only the drop in national revenue in 1934, that alone would be sufficient to pay off the total bonded indebtedness of the three prairie provinces and the total bonded indebtedness of all the municipalities in those provinces, and leave over enough money to finance those three provincial governments for practically twenty years. That will give an idea of the contribution the farmers have made to this country.

I am making this statement now for one purpose only; that is, to plead with the other classes of society in other parts of this country that if the day ever comes when they are called upon to recognize that debt of gratitude, they will not hesitate to do so and by doing so help the farmers to help themselves; for I am quite sure no one would attempt to argue that we can have a prosperous country when such a large and important class of society as our farming class are heavily in debt and incapable of doing anything for themselves.

It was under those circumstances, Mr. Speaker, that the wheat agreement was signed. It is little wonder that the farmers as a whole held that a bird in the hand was worth two in the bush. Thus came the demand for a long-term agreement. What was the stand of the official opposition on that point? The hon. member for Neepawa (Mr. Bracken), then leader of the Progressive Conservative party, is a good farmer. For over twenty years he was premier of Manitoba, and during that time he was recognized in the political field as the spokesman for the farmers of western Canada. He knew the score on that question when it came up, and he stated the position of the Progressive Conservative party. There can be no mistake about it. It was exactly the position taken by the farmers; that in choosing between two evils they would choose the lesser and accept a long-term agreement. Now our friends of the official opposition would like to have us and the farmers believe that they never had anything to do with the United Kingdom agreement and never supported it. The leader gave the stand of that party, and not one member from the western provinces had the guts to stand up and vote against it. That is the position of the official opposition on the wheat agreement.

Mr. Ross (Souris): If the hon. member would permit a question, would he state when the vote on the agreement as such took place? Would he give the reference in *Hansard* to any vote on the agreement as such?

Mr. Jutras: I am very glad the hon. member has asked that question. It shows clearly that he is trying to jump on the fence. I went to a great deal of trouble—and believe me I took a great deal of punishment—reading all the speeches made by the hon. member for Souris during that session, and he did not say a single word that would show his opposition to the United Kingdom wheat agreement. That was where the hon. member stood.

Mr. Ross (Souris): The hon. member cannot quote one word I ever said in favour of it in this House of Commons.

Mr. Jutras: Not in the session of 1946.

Mr. Ross (Souris): Nor any other session.

Mr. Jutras: You kept very quiet. You never said anything against it. But your chief said he was in favour of it, and that puts you very definitely behind it. That is the stand that was taken at that time.

Mr. Ross (Souris): I know the hon. member wants to be fair. I have referred to that agreement at every session from 1946 on, and he cannot quote a word I ever said in favour of the agreement as such.

Mr. Jutras: I will agree wholeheartedly that I cannot quote a word by the hon. member, because there are no such words. That is exactly what I was saying.

Mr. Ross (Souris): There was a speech at every session.

Mr. Jutras: Then I will answer in another way. There are members of the Progressive Conservative party who would never admit that they supported the wheat agreement, and they can show it on the record.

Mr. Graydon: Did the *Free Press?*

Mr. Jutras: I am coming to the *Free Press,* and I am sure you will find it most interesting. These hon. gentlemen did not vote for the wheat agreement. The other day one of them pointed to his vote, to show that he voted against it. The name of the hon. member for Souris (Mr. Ross) was not there. Again I say they have been chased out of two pastures, so they are climbing on the fence.

Mr. Ross (Souris): You have not read *Hansard* very carefully.

Mr. Graydon: You have not read the Winnipeg *Free Press,* either.

Mr. Jutras: I am coming to the *Free Press.* After the agreement has been signed and put into operation, the official opposition would like to jump on the grain exchange band wagon. It is a bit late for that.

Since the hon. member for Peel (Mr. Graydon) is so anxious to hear what the *Free Press* has to say, I shall read part of an editorial, which appeared in that paper. The recent stand of the official opposition is not limited to this house, but has also been taken in the other place by their official leader. It has been said they were against the agreements at the time they were discussed in the house, but they cannot point to anything in the official record to substantiate that statement. I shall quote from an editorial which appeared in the Winnipeg *Free Press* on February 8, 1949, entitled "Empty Criticisms":

> The trouble with Mr. Haig's argument is that it is a reversal of Conservative policy.
>
> The time for Mr. Haig's party to have denounced the agreement was at the beginning when something might have been done to modify it. Surely, no credit can be gained by denouncing a contract two and a half years too late.
>
> If it so chooses, the Conservative party can swallow itself today. But it cannot gain credit now by denouncing a bargain which it approved.

For the information of the hon. member for Peel that is what the Winnipeg *Free Press* has to say.

The official opposition would like the grain exchange and the rest of us to believe they are the great friends of the grain exchange. At the same time they try to make people believe they are also the friends of the wheat board. On the one hand they would like to leave the impression that they are the friends of the grain exchange and, on the other, that they are the friends of the wheat board. This position inevitably leads to double talk. At the moment, I am not directing my remarks to any particular member. This is the policy of the official opposition at the present time. I do not believe it is the policy of every member of that party, but it is the official platform of the Progressive Conservative party. Surely, there is no better way of indicating this than by pointing to the resolutions passed at the convention of the Progressive Conservative party. Some of this double talk originated at that convention.

I shall quote from an article appearing in the Winnipeg *Free Press* written by a reporter of unquestionable reputation. He was present at that convention, and therefore knew what was happening.

Mr. Graydon: Is that the double talk referred to in the writings of the hon. member for Quebec South (Mr. Power)?

Mr. Jutras: You will soon find out by whom it was written; you will recognize it. I do not suppose the hon. member for Peel knows anything about the stand of his own party on wheat, but he will in a few minutes. This is a report of the proceedings of the convention, so I am sure the member for Peel will recognize it. I am quoting from an editorial which appeared in the Winnipeg *Free Press* on October 5, 1948:

> The Progressive Conservative convention's vote on Saturday to restore the 1935 wheat board on a voluntary basis and also to guarantee producers the right to market grain "by any other means," while refusing to say specifically that means wheat trading on the Winnipeg Grain Exchange, touched a new high in political sleight-of-hand.
>
> Speaker after speaker declared frankly that the resolution as it stood, and no mistake, means wheat trading on the Winnipeg exchange. But with equal frankness, they decided to accept an amendment by John McDowell, Winnipeg, changing the words "by any other means" to read "through the open market."
>
> Under the grave warnings of M. A. MacPherson, Regina, and Col. J. A. Ross, Souris, that even to mention wheat trading "through the open market" (meaning the Winnipeg Grain Exchange) would be

dangerous to the party—"dynamite on the prairies" said Mr. MacPherson—the amendment was shot down the sink. Along with it went what many delegates thought was a very sensible addition by G. S. Thorvaldson, Winnipeg, that with an open market, there should be a supervisor to eliminate irresponsible and unwarranted speculation.

From another part of the same editorial, I quote the following:

But what the committee was anxious to avoid was any imputation that the convention was working for the Winnipeg Grain Exchange. The attempts of Mr. McDowell and Mr. Thorvaldson to amend the skilfully worded resolution let this fighting cat out of the committee bag. There was no good attempting any longer to cover the fact that selling wheat by "any other means" meant wheat trading on the Winnipeg exchange.

So these antics of my hon. friends opposite are carried on not only in this house but before the people of their own party at a national convention. As I said before, they have been chased out of the grain exchange field and out of the wheat board field, so they say, "We want both."

Mr. Weir: Vote both ways.

Mr. Jutras: Yes, vote both ways. They want a free grain exchange, and even the member for Souris (Mr. Ross) applauded when I read that the amendment had been shot down the sink. Apparently the member for Souris wants a free grain exchange—I know that he does not, but this resolution indicates he does and he was instrumental in having it passed. It indicates a desire for a grain exchange as free as a lark and, at the same time, a desire for a wheat board divested of all powers except the administering of a floor price. This is the solution the official opposition offers—have both things.

What have the farmers of this country received for trying to improve their position? The members of the Progressive Conservative party have given them nothing but abuse. Even from the members of the Social Credit group, or should I say the other Tory party, the farmers receive nothing but abuse.

An hon. Member: You are so confused you do not know where you are.

Mr. Jutras: I know where I am and the record will prove it; that is more than you can do. I do not need to quote the record since all members will remember it. When the committee on agriculture was sitting in 1947 the hon. member for Souris (Mr. Ross) rose and made the statement that the leaders of the organized farmers in this country had done a great disservice to the farmers of western Canada in their recommendation to the government. In that committee the hon. member who was representing the Social Credit party rose and said the same thing, and supported the hon. member for Souris.

Mr. Ross (Souris): What was the recommendation?

An hon. Member: Who was the member?

Mr. Jutras: It was the hon. member for Battle River (Mr. Fair).

Mr. Ross (Souris): What was the recommendation?

Mr. Fournier (Hull): Who is making the speech?

Mr. Graydon: I am not sure myself.

Mr. Deputy Speaker: Order. I must inform the hon. member that his time has expired.

Mr. Jutras: I shall take just a moment or two more for the purpose of giving the reference. It is page 97 of the proceedings of the committee on agriculture and colonization. I do not wish to abuse the rules of the house, so I will sit down.

Mr. Ross (Souris): It had to do with the United Kingdom wheat agreement.

Mr. Jutras: I just want to summarize the situation in one word. An attempt was made to discredit the farmers organization. The official opposition tried to make people believe that they were all for the wheat board; but up to now their only contribution on that score has been the suggestion to throw wide open the doors of the Winnipeg grain exchange and allow the farmer to swim by himself when everyone else has a life jacket.

Mr. Ross (Souris): That is not a fact.

Mr. J. W. Murphy (Lambton West): I should like first, Mr. Speaker, to associate myself with the others who have complimented the mover and the seconder of the motion now before us and especially the mover, because at one time I lived in that part of the city of Windsor which the hon. member for Essex West (Mr. Brown) now has the honour to represent.

As the first one of my party to have the occasion to address this house after the ceremony we witnessed this afternoon, I feel that it is only fitting that I should make some comments thereon. To me it was significant —and I do not think I am alone in this feeling—to see our leader, with the hon. member for Argenteuil (Mr. Heon), present to you, Mr. Speaker, the new member for Nicolet-Yamaska (Mr. Chapdelaine). The applause came from this side of the house, of course. We enjoyed his presentation and Your Honour's direction to him to take his seat in this House of Commons. We who viewed the opposite side from our grandstand seats here watched in particular the reception the hon. member for Nicolet-Yamaska received from the Minister of Transport (Mr. Chevrier),

for instance. The latter had a smile which required some forcing to produce. The Solicitor General (Mr. Jean) slumped so low in his seat that I wondered if one chair in this house had short legs. As for the Postmaster General (Mr. Bertrand), it occurred to me that at one time he may have taken piano lessons or pounded a typewriter with one finger, judging by his applause. He may, of course, have been recalling that famous speech he made on the Friday night, I think it was, prior to this by-election when he predicted to the country that, if this infamous party—the Progressive Conservative party—won the by-election, that would be the forerunner of what they could expect not only from the province of Quebec but from the rest of Canada.

The introduction of the last three members in this house afforded us a great deal of satisfaction. The first was our leader who won a smashing victory in the by-election in Carleton. In addition, the treasury was enriched by $400, I believe. It gave me some satisfaction to know that $200 of it came from the C.C.F.

Mr. Thatcher: Be careful.

Mr. Murphy: They lost a similar amount in a certain riding which I have the honour to represent, and I can assure them that we shall repeat that dose if they attempt the same performance at a later date.

The second by-election was the one in Nova Scotia, as a result of which another member who belonged to our side of the house and to our party was introduced. His election, I think, can be taken to indicate to the people of Canada the expression of the opinion of the maritimes in an unmistakable way. That by-election was a want of confidence in the government and a declaration of confidence in the new leader of our party and in our policies. The hon. member who was introduced this afternoon means a great deal to us. Coming from the province of Quebec he reflects, I think, the views of the people in that province, their confidence in our leader, the hon. member for Carleton (Mr. Drew) and in the policies of our party. We welcome him to this house.

Mr. Graydon: The handwriting on the wall.

Mr. Fournier (Hull): Says you.

Mr. Murphy: For a moment or two I should like to deal with a quid, and I will take the literal meaning of that term, which I noticed in a recent edition of the Toronto *Telegram* under date of February 16. It refers to the profits of the Imperial Tobacco Company. With your permission, Mr. Speaker, I should like to read a short extract from that:

> The Imperial Tobacco Company of Canada net profit after taxes in 1948 was $7,193,011 equal to 66¾ cents per share on the common stock, compared with $5,999,153 or 57½ cents per share in 1947, according to the annual report.

This showed an increase of twenty per cent in 1948 over 1947. I have not, nor has any member of our party—and I think the same applies to a great many who sit to your right, Mr. Speaker—any quarrel with companies which are able to make good profits. In fact, a great part of their surplus goes back into plant expansion, enabling increased employment. We fully realize that companies which continue to work in the red are bound for the bankruptcy courts; and as we know, bankruptcy courts give little employment. In this particular statement there is one point with which I quarrel, and I do not think there will be any dispute in this house on that particular point.

Today the tobacco manufacturers are able to obtain from this country practically 80 to 85 per cent, if not more, of the tobacco which they use in the manufacture of cigarettes and cut tobaccos. In the last fifteen or twenty years in this country we have expanded our tobacco-growing industry. It is a big industry. My quarrel with the Imperial Tobacco Company's statement is that the prices they have paid to the producers of tobacco are not as large as they should have been. This applies not only to the seven or eight counties in western Ontario but in other places as well. Today we find that good quality tobacco is grown as far north as the Bruce peninsula. We also know that in Quebec cigar-leaf tobacco has been grown for a great many years, and is still grown in that province. If any hon. members have any doubt about that, all they have to do is to walk up the corridors of this building and they will get the aroma of the home-grown cigar tobacco.

There is another feature to which I shall refer with disfavour. And I speak with some authority on this matter because, with the exception of the last fifteen years, I have been engaged in the tobacco industry. I grew it. We manufactured it, we jobbed it or wholesaled it and I did have something to say about a few retailers who retailed it. Before I continue I want to make it clear that I am not speaking on behalf of any particular wholesaler or any group of wholesalers because I am not associated with any wholesaler or jobber in this country, notwithstanding the fact that the company name Murphy with which I was associated some years ago is still retained by the company. Up until fifteen years ago the distributors

got the unbelievably small margin of 10 per cent to 10½ per cent for the distribution of their products. Many hon. members will wonder how in the world a distributor could handle a product on that margin. Nevertheless, it was done. In passing I may say that if you were a good jobber you turned your product over probably forty or forty-two times a year. Since that time we find the American idea of business creeping into this industry. Over there the distributors have had their margin cut to even less than what we have today in Canada. But it is really alarming when we realize today that distributors are being asked to distribute tobacco products at from 6 per cent to 6½ per cent. That is their total margin, and out of that they must warehouse the goods, sell them, deliver them and take care of all the bookkeeping and administration involved. I have watched the profit grow from $3 million to $3,500,000, to $4 million; from $4,500,000 to $5 million and from $5,500,000 to $6 million. Finally it reached over $7 million in 1948. While I do not quarrel with profits, Mr. Speaker—I agree that a company must have profits—yet it is certainly unfair to the growers of the product in this country when they do not receive from the buyers of tobacco as high a price as that to which they are entitled, and which at the moment is much lower than the price at which the same quality product is sold in the United States.

Furthermore, there is no reason why business firms in this country should have their margin as distributors cut from what it was originally, 10 per cent, which was small enough, to 6 per cent or 6½ per cent.

It is within the memory of some hon. members that an inquiry in the form of a price spreads committee was set up in 1933 and 1934. It is interesting to note that the company to which I referred, and all its involvements, were discussed in some detail; yet anyone who reads the report with some knowledge of the industry will be alarmed at what was not disclosed. It is also interesting to note that shortly after the findings of that particular committee the margin to the distributors was reduced. I sometimes wonder whether in the interests of so many of our tobacco growers, distributors and retailers, it might not be considered feasible or advisable again to consider the business methods of certain tobacco companies.

There is another point I should like to make in this connection. Over the last several years we have had on cigarettes a variety of taxes, known as the excise tax and the excise duty. From 1918 it has varied from $6 a 1,000 to the present tax of $6 excise duty a 1,000 plus $4 which is the excise tax a 1,000. The intervening rates are from $4 up. I recall vividly that in 1922 this tax was raised in the Fielding budget, I believe, from $6 to $9. Representations were made and the tax was immediately reduced to $7.50. I wonder whether it would not be advisable for the government to consider reducing either the excise tax or the excise duty some $2 or $3, or even bringing it back to what it was prior to the rise in March, 1943, because in this period the figures speak for themselves. In many instances the higher tax decreased the revenue. In view of our market being limited and restricted to Great Britain especially at the moment, it might be advisable for the government to consider a reduction in this form of taxation in order to permit a greater sale of the product and a greater price to those who produce it. If that were done it would lend encouragement to the extension of this particular crop.

I am not going to weary the house with any figures of the amount received by the government under the various taxes. I shall leave that for the moment. I may say in passing that the subject may not be finally closed.

There is another matter to which I should like to refer briefly, namely, emigration of our young citizens to the United States. According to the records of the United States, in the fiscal year ended June 30, 1945, 8,583 persons left Canada for the United States. In the following year 18,280 left. In the year ended June 30, 1947, 23,467 left for the United States, and in the year ended June 30, 1948, 24,788. The information available indicates that about 2,000 of the 1947 figure were people who could be described as the managerial or professional class. Of this number about 360 were engineers.

This migration concerns us greatly in this country and its effects are noticeable in Sarnia which, as most people appreciate, is fast becoming the chemical centre of Canada. According to present plans, production there will be materially increased as soon as steel and other materials are available. We are finding that far too many of our young graduates, particularly in the engineering fields, are leaving this country. Many of these young men took up engineering because those with whom they were associated had taken it up previously.

We are all profoundly disturbed about this migration loss which Canada is suffering. We have a sparsely populated land. We have a country that is rich in undeveloped natural resources. We have a country that should by rights be considered a land of opportunity and freedom. We should be attracting more people to Canada to help develop it further,

to help to build up diversified industries which will give assurance of a better balanced economy and continued employment for all.

We above all countries in the world should be having a steady flow of immigrants to our shores. However, we find that because of excessive taxes, either by way of personal income tax, excise tax, luxury or sales taxes, too many of our able young citizens are leaving our country to go south where they do not suffer the same injustices of high and excessive taxation in as many forms. It is a tragedy and a national disaster that we should be losing the most ambitious of our young people, those who want most to get ahead but who find that this country limits their chances of improving their condition.

These people represent more than mere population that is leaving Canada. Each and every one represents an investment that has been made by you and me in the youth of this land. We as taxpayers have paid to educate these young people; we as taxpayers have helped to look after their health; we as taxpayers have tried to make them good citizens. Now when they are ready to make a return on this investment as taxpayers themselves, they leave the country.

Furthermore—this is even more serious—investigations show that a large proportion of these young Canadians are business executives, young university graduates, young technicians with special skills and special knowledge. In short, they are the very people who within the next few years should be starting up businesses of their own and giving employment to others; who should be contributing toward making this land of ours a country of diversified industry and industrial stability. They will be starting industries and businesses of their own all right, but it will not be in Canada. Another country will benefit because of our excessive taxation in its various forms.

Many of the young people to whom I refer as leaving Canada in such numbers are frankly bound for the higher brackets of income. We can reverse the flow of migration across our southern border by government policy. We must make it worth while to come to Canada, to stay in Canada, to establish businesses and to give employment here.

When the right hon. Prime Minister (Mr. St. Laurent) was speaking during the early part of the session he referred with some pride, pride which we all appreciate and share, to the exports from this country during 1948, which amounted to $3,075 million. However, he did not refer to the movement of cattle and beef from this country to the United States during the last four months of the year, which contributed substantially to the higher export figures for the year. Nor did he refer to the extent to which ECA purchases were made. I understand the authorization for that year was $593 million, but I do not know how much was shipped. We all appreciate the necessity of exports, but we regret that there should be included in those exports the people to whom I referred a moment ago.

There is located in the county of Lambton the Polymer corporation, a crown company. In 1944, and since, I made reference to the welfare of the employees of that particular crown company. I was concerned, not only with their wage rates but with the security benefits that they were receiving. The minister at that time, now the Minister of Trade and Commerce (Mr. Howe), stated that he considered the Imperial Oil Limited plan for retirement and other security benefits to be the one at which he would aim. Yesterday the minister's department professed ignorance about that particular plan. I agree that it may not have been possible for them to produce the actual figures, but the information was available to me as it was to him, and I assume that it is still available to both of us.

At the present time there is a feeling of disturbance in the minds of the employees of that corporation. They allege that they are not receiving the same rates of pay as are paid by Imperial Oil Limited for the same work. I submit that where we have crown companies they should give leadership and certainly should not pay less than other industries in the same area pay for similar work.

These employees are concerned also about retirement and other security measures. They contend that what they receive is less than is received by the employees of other companies in the area.

I repeat that a crown company should give leadership. Further with regard to the professional men and technicians or skilled employees who are leaving our country to go south, I submit that we in this House of Commons and the people in the country expect the crown companies to give leadership to industry by paying these young men a remuneration which will induce them to remain in this country and become citizens and contributors to our economy. Instead, we find that there is far too great a turnover among these young men, not only in the area in which I reside but elsewhere in Canada. That is revealed by the figures.

I say again that it is the responsibility of crown companies to give leadership in the

payment of salaries which are reasonably comparable with what are being paid on the other side. These young men leave our country to go there because of our taxation policies. A young man on the other side who wants to get married can furnish a four-roomed apartment for at least a third less than it would cost here in Canada because of the many taxes imposed on the goods required to set up housekeeping. They are complaining, and rightly so, about the luxury taxes that are imposed on so many goods that are really necessary when they are planning on starting up housekeeping.

To us on the border, and I believe also to those who are not, luxury taxes are more than nuisance taxes, and they are not bringing in the revenue which they might, because of the dissatisfaction they are creating. There are merchants along the border who are returning shipments to manufacturers and jobbers if the merchants are obliged to impose a luxury tax on those articles. Furthermore, for our British goods and for many of our own manufactured goods which today bear a luxury tax, we have at all times enjoyed a good market in their sale to tourists from the United States. Merchants along the border tell me that tourists coming from the United States to purchase these goods now find that certain articles imported from Great Britain are sold more cheaply in United States stores than they are in our own. We are losing a very important market because so many tourists buy quite large quantities of British-made goods. It is alarming to us to find that they are now realizing that they can purchase them for a lesser price in the United States than they can buy them for in Canada, simply because of the luxury tax which the government imposes.

There is another matter I should like to deal with. It is relevant to crown companies. As I have said before in the house, we are very glad that we have the Polymer Corporation in the county of Lambton. I have said that before and I repeat it. The Polymer Corporation and other industries, many of them chemical, have brought a fine type of employee and citizen to our community. But I say this—and it is a plank in our platform—that crown companies should make some contribution by way of taxes to the municipalities in which they do business. I feel very strongly on the matter because in this particular township, which now has about 10,000 people whereas some five or six years ago there were only about 2,500, a great deal of additional expense has been incurred, not only for administration, but also for roads, hospitalization, relief, and everything else that is entailed in municipal administration because of the increased number of people now residing in the township.

I have heard the present Minister of Trade and Commerce (Mr. Howe) say, and he has said it more than once, that he defies anyone in the house or elsewhere to say that a municipality does not benefit because of the operation therein of a crown company. I must say to him through you, Mr. Speaker, that it is true that the municipalities benefit. We all realize that industry brings in population, and the greater the population the greater the taxes. While the area benefits, the same argument can be advanced as to any industry, but these other industries, which are not crown companies, make their contribution to the municipalities. For instance, we know what the increased cost was in that particular township for roads, schools and administration. I will say that our present leader, when he was premier of the province of Ontario, realized what the problems were, and in his capacity as minister of education he saw to it that several of the school sections received very substantial grants to compensate for the additional costs incurred by the influx of people. Sessions of the house roll around, and while we see resolutions on the order paper, it is about time that we got down to discussing one of them relative to the contributions crown companies should make to the municipalities in which they are located.

The next subject which I should like to discuss for a few minutes is the tourist industry. I sincerely hope that this session the government will set up a special committee to deal with the tourist industry, and to co-operate with the minister in the development thereof. We all read the announcement by the Prime Minister (Mr. St. Laurent) when he made the appointment of the hon. member for Queens-Lunenburg (Mr. Winters) to the portfolio of Minister of Reconstruction and Supply. We recall with some pride that, when the appointment was made, emphasis was placed upon the importance of the tourist industry, and as I recall it that was repeated. Our tourist bureau was instituted in 1934 by a former prime minister. It has seemed to so many of us, who have taken a keen interest in the tourist industry, that the present government hesitated to support a child fathered by a former prime minister. There is one astounding fact that we all admit, and which helps us to realize why the industry has not progressed as it should. Since 1934 the tourist bureau has been under the direction of either ten or eleven different ministers. Since parliament assembled in 1945 we have had four ministers, if we count the present Minister of Trade and Commerce in two different

ministries. It is apparent that no bureau, no part of a portfolio which has been treated as an adjunct, can receive continuity of consideration to the extent to which it is entitled in order to bring it up to a high standard, and in order for it to do what we expect it should do. On this side of the house we are very proud of the appointment that has been made; we are very anxious to work with the minister, and to help him to promote the industry. We know that we cannot recover the time that has been lost up till now. The tourist industry is not like the oil or gas business. In any area, including the province of Alberta, what they do not take out today they can take out tomorrow or even a hundred years from tomorrow; but what has been lost up until last night in the tourist industry we do not get back. It is gone forever. I have pointed out on different occasions the necessity of our getting more United States dollars. There is no more effective way to obtain more of the United States exchange that is so needed than through our tourist industry.

We are not the only country that realizes the importance of this industry. Earlier this year I think every hon. member received a memorandum from the United Kingdom travel association, in which we find that the patron is His Majesty the King; the vice-patron is Her Royal Highness the Princess Elizabeth, Duchess of Edinburgh; the president is Right Hon. Viscount Jowitt; and the chairman is Right Hon. Lord Hacking. Then in a news item dated February 15 of this year, which I think appeared in one of the Canadian newspapers, I see the heading, "France opens all-out drive to attract tourist industry," and I quote from the article:

> France is going all-out to attract more tourists this year. Millions of francs and tons of glossy paper are being used to induce more Britons and Americans to spend their sterling and dollars on holidays in "the loveliest pleasure ground in the world."

Then in conclusion the article states:

> France recognizes that tourists provide the greatest single source to cover the deficit which it is anticipated she, like other Marshall-plan countries, will face when dollar aid dries up in 1952.

Then I have another quotation from the New York *Herald* dated February 8, 1949, from which I shall read only the headlines: "Cheaper franc likely to lure rush of tourists." In the same newspaper I see the statement that in 1947 foreign tours cost the United States some $690 million, which was American money spent in Canada, Mexico and the Caribbean, and I am advised that last year the total spent in those areas was close to a billion dollars.

We have our own records here, and we are said to have received from this source some $270 million in 1948, an increase of twenty odd million dollars over the previous year. There has been an important change recently with respect to the amount of goods Americans can take back from this country after having been here for twelve days. Formerly it was $100; today it is $300, and that is a very important factor.

I should like to mention two other references in that connection. The first appears in the foreign trade publication of January 29 of this year, at page 222:

> Prosperity in Bahamas is largely derived from tourist industry.
>
> Kingston, January 6, 1949. Tourism and housing construction are contributing substantially to the post-war prosperity of the Bahamas . . .

Then on page 223:

> There is little unemployment in the Bahamas at the present time, owing to the prosperous condition of the tourist industry and the high level of construction . . . As a result of these favourable conditions, labour unrest has not been a problem during the past year.

Another very well written article appears on page 240 of the same journal under the heading, "Tourist industry in Great Britain largest dollar earning export." At the bottom of the second paragraph I find this statement:

> Outside of shipping, no other export industry would seem to hold more promise than the tourist industry.

When the present leader of this party was premier of Ontario he recognized the importance of the tourist industry and appointed a minister to that portfolio. I think it can be said without fear of contradiction that about two-thirds of this amount of $270 million is spent in the province of Ontario. We know that the premier of Quebec has taken under his personal direction the promotion of the tourist industry there. Many members of the House of Commons believe that if we had a committee to work with the minister to develop this industry a great deal could be accomplished. I appreciate, as we all do, that a committee has been set up in another place, but I would suggest that a committee of this house might go into the question from the research angle and call as witnesses men who have been successful in industry and who appreciate the importance of advertising in connection with sales promotion. I believe that today the amount spent in advertising the tourist industry is little more than one-half of one per cent, which is very little when we have in mind what we have to offer. Now that we have the tourist business under a minister so it can be dealt with at the cabinet level I believe the development of the industry should be proceeded with in a businesslike manner with the support of all members of this house.

Mr. Speaker: I am sorry to interrupt the hon. member but his time has expired.

Some hon. Members: Go ahead.

Mr. Speaker: If the hon. member has unanimous consent he may proceed.

Some hon. Members: Agreed.

Mr. Murphy: I thank hon. members for their indulgence. We might call before such a committee some of those who have been successful in promoting big industry, where advertising is an important factor, because this is an advertising sales job. The provinces also will benefit to the extent that they contribute by way of good roads, which are so necessary, and adequate accommodation, which seems to be somewhat lacking. Through this committee I believe more publicity could be given our tourist industry so people would become more tourist conscious. This might give many the idea of making a contribution in one way or another to this most important activity. We might call before the committee men from the Ford company and the oil companies. I mention those in particular because I say in all sincerity that this travel bureau should have been organized when those industries were in their infancy, because they tie in one with the other. I am satisfied that our delay in recognizing the importance of this industry has cost us millions of dollars. Had the dominion government—I do not mean only this government, but any government—recognized the importance of this industry in the early days, I am sure it would have set up committees to co-ordinate the work of the provinces, so the industry might progress as our oil industry and our automobile industry have progressed. We might also call Mr. Berkinshaw, who I think is president of Goodyear Tire, and other men of that kind who have contributed so much to the development of this country, including railway and steamship executives and so on. We might also bring in representatives of the provinces. It is not enough to have those representatives meet here for a two-day session in the fall of the year. Such an important industry deserves more than that. If we are going to make it a billion dollar industry we must proceed with businesslike methods.

Just recently I saw an item in the newspapers with respect to the Alberta oil fields, and it occurred to me that this applied equally well to the tourist industry. We have had oil for years, just as we have had the tourist industry for years, but promoted originally by the railways and steamship companies. Recently in Alberta a huge reservoir of oil has been found in connection with which, incidentally, a group of companies including Imperial Oil are immediately spending some $80 million on development. Here are corporations giving employment to thousands of people, which have spent hundreds of millions of dollars in order to develop the natural resources of this country; and I say the two industries are comparable in this respect.

Our 1948-49 anticipated production in Alberta is 50 per cent greater than in 1948 and 75 per cent greater than it was in 1947. I would suggest that is the figure this tourist industry could use as a guide. There is no reason in the world why the members of this House of Commons could not get together with the minister who could, if he so desired, create a committee to look into this matter. The set-up of the committee would not matter a great deal, so long as it was composed of men who were willing and able to lend their services. God only knows we are not overworked in this house. This would also tie in with the trans-Canada highway, upon which I hope to have the opportunity of speaking at a later date. I thank you, Mr. Speaker, and in closing hope that a special tourist committee will be set up immediately.

Mr. Frederic Dorion (Charlevoix-Saguenay): Mr. Speaker, for the reasons I gave in the house a few days ago, I believe it is my duty to reply to the charges made by the member for Winnipeg North (Mr. Stewart) against some French persons who came to Canada a few years ago after having fled from France because of the persecutions which took place in that country after the war. The hon. member for Winnipeg North advised us that he wanted to take the opportunity afforded by the amendment to the address to make another speech on the same subject. He went so far as to say that if he did not have sufficient time to put all the information he had on the record in these two speeches, he would make a third speech on the main motion. I wish to state that, after answering his first speech, I intend to reply to any other speech the hon. member might contemplate making on the same subject.

If it were only a matter of discussing the fate of a few individuals, I would refrain from taking up the time of this house to correct the allegations made by the hon. member. Owing to the principle involved, however, all members must see that it is an important matter. It concerns the struggle between the communists on the one hand, and Christianity on the other. As everyone is aware, subversive ideologies are spreading throughout the countries under Russian control as well as other countries in the world. We know that the communists are at work in Canada, and particularly in large centres

such as Montreal, Toronto and Winnipeg. It is most unfortunate that, even in this chamber, communists so easily find advocates for their cause. I do not hesitate to state that if the French citizens referred to by the member for Winnipeg North were communist Jews instead of French Catholics, we would not have heard about them in this house.

Mr. Coldwell: Shame, shame!

Mr. Dorion: How does it happen that we only hear of the five or six French citizens who have been given shelter in this country? Why do we hear nothing about the six or seven Jews who were admitted to Canada last fall after having entered with false passports? I do not intend to blame anyone for issuing permanent visas to these Jews because I am willing to believe that they, as well as others, were entitled to the protection they received from the authorities. I ask, however, why make it a crime for a French Catholic to seek refuge in this country when no one dares to say a word about the Jews who are in the same situation?

Mr. Thatcher: Were they collaborators?

Mr. Dorion: Listen to my speech and you will find out whether they were collaborators. I repeat, why make it a crime for a French Catholic to seek refuge in this country when no one dares to say a word about the Jews who are in the same situation?

Mr. Coldwell: These men were condemned by the French courts.

Mr. Dorion: If you will listen to my speech you will find out about that.

If there is a fight between Christianity and communism in the world today, everyone is aware that the communists regard the Catholic church as enemy number one. Recent occurrences in several central European countries have demonstrated this fact.

The member for Winnipeg North referred to the question of privilege which I submitted to the house the other day relating to the de Bernonville case. From his remarks at page 794 of *Hansard,* I quote the following words:

> The hon. member also went on to say he was convinced not only of de Bernonville's innocence, but also of the assistance he has rendered our soldiers during the war. I think the most significant thing then was not the statement of the hon. gentleman, but the applause coming from the Tory benches which greeted it. One of us is wrong. Either the hon. member for Charlevoix-Saguenay is right or I am right, and I am prepared to leave it to the judgment of the house.

I shall deal with the innocence of de Bernonville first and, later on, I shall submit the evidence which I have regarding the assistance he gave to our soldiers during the war. Before reaching that point, I should like to comment on certain remarks the hon. member made about a French citizen by the name of Jean Bonnel, living in Montreal. It is true that, for personal reasons, this man has not yet chosen to apply for his Canadian citizenship. Mr. Bonnel has been living in Canada for over twenty years. He is married to a Canadian woman and is the father of many children born in Canada. During these last twenty years, I am sure Mr. Bonnel has succeeded in acquiring a real Canadian spirit, more so than some new Canadians who have only been in this country since 1930. I would rather depend for Canadianism on a man who has lived in Canada over twenty years than on one who, although he may have his Canadian citizenship, came to Canada more recently.

Speaking about Mayor Camillien Houde, the hon. member said, at page 795 of *Hansard:*

> I can well understand how a man behind bars for hampering the war effort could feel such a close relationship for a nazi collaborationist.

Before making such a statement the hon. member should have remembered that the late Mr. Woodsworth, the founder of his party, and his present leader were not so favourable to our participation in the war before Russia became our ally.

Mr. Coldwell: I rise on a point of order to correct that statement. The C.C.F. group in this house, with the exception of Mr. Woodsworth, voted on September 9 or 10, the day war was declared, to declare war. *Hansard* shows that.

Mr. Dorion: On the point of order, Mr. Speaker, my reason for making that remark is that I have read *Hansard* for September, 1939. On the 8th September, 1939, at page 55, the hon. member for Rosetown-Biggar (Mr. Coldwell) made a statement concerning the policy of the C.C.F. group. This is what he said:

> Canada should be prepared to defend her own shores but her assistance overseas should be limited to economic aid and must not include the conscription of manpower or the sending of any expeditionary force.

Mr. Coldwell: On the point of order, Mr. Speaker—

Mr. Dorion: I am speaking on the point of order—

Mr. Coldwell: I say we voted for the declaration of war and we supported every move to further the war effort once that decision was made.

Mr. Speaker: I should like to remind the members that only one member at a time should speak.

Mr. Dorion: On the same day, September 8, 1939, at page 47 of *Hansard*, Mr. Woodsworth said this:

We laud the courage of those who go to the front; yes, I have boys of my own, and I hope they are not cowards, but if any one of those boys, not from cowardice but really through belief, is willing to take his stand on this matter and, if necessary, to face a concentration camp or a firing squad, I shall be more proud of that boy than if he enlisted for the war.

Speaking of de Bernonville, the member for Winnipeg North (Mr. Stewart) said, at page 794 of *Hansard*:

—the Germans made him military commandant of the Lyons area, a post that would go only to one of the most tried and true supporters of the nazi cause.

Speaking especially of de Bernonville, the hon. member says, as reported at page 794 of *Hansard*:

This time the Germans made him military commandant of the Lyons area, a post that would go only to one of the most tried and true supporters of the nazi cause. His special task was to set up a counter-resistance police to combat the French maquis. In this he was concerned particularly with identifying British and other allied officers who dropped into France by parachute to aid the resistance movement. His work resulted in the death of many of these allied soldiers, it was said. This information came out during the Toulouse trial at which de Bernonville was convicted in absentia.

First, I must take exception to the statement made by the hon. member to the effect that de Bernonville was given military command by the Germans. Everyone knows that it was the Vichy government which ruled southern France after 1940; and we must not forget that nearly every country recognized the legality of the Vichy government. Our own country, like many others, even had an official representative there. But the part of the statement to which I wish to draw special attention is the one concerning the conviction of de Bernonville by a Toulouse tribunal. Here I wish to report a description of the kinds of tribunals that were supposed to administer justice in southern France, and particularly in Toulouse, after the liberation of France. To make that demonstration, I shall not depend upon unknown and unverified statements, but will quote from an article published in the *American Mercury* in April, 1946; it was written by Donald B. Robinson and is entitled, Blood Bath in France. The excerpts that I am about to quote will show the hon. member for Winnipeg North what was going on in that part of France when de Bernonville was condemned in absentia. Mr. Robinson writes as follows:

As a member of the civil affairs headquarters of the American seventh army, stationed in Marseilles during and after the liberation, I personally witnessed the communist terror which reigned in southern France after the defeat of the nazi armies . . .

Further on he says:

During those months in the summer and autumn of 1944, revolution almost engulfed the south of France, and the communists were doing everything in their power to foment it. . . Almost immediately, bitter factionalism broke out among the native population, and the watchword "unity" which had been an all lips at the hour of liberation was forgotten. Within ten days a reign of terror was in full swing all the way from Toulouse in the southwest to Nice and the Italian border. The streets of every city and town were thronged with tough-looking civilians carrying every variety of arms, from stilettos to rifles, hand grenades and tommy guns. They raced wildly down the boulevards in automobiles whose doors had been removed to permit the occupants to shoot easily on the move. They scoured all sections, looking not only for the hated Vichy militiamen but for anyone else who had incurred their political enmity. Even the liberating Americans were not immune. American soldiers were killed and wounded. I was shot at myself, more than a dozen times.

Further on he goes on to say this:

What happened in Marseilles was typical. The FFI—

FFI stands for Forces Françaises de l'Intérieur, French forces of the interior.

—totalled about 1,600 members when the city was liberated. Within two weeks, according to a report by American army intelligence officers, this number had swelled to 4,500 as "all the hoodlums and grudge-payers flocked to the colours after the fighting was over." The same report stated that soon thereafter the total membership "dropped to about 3,000 as the original members, mostly reliable citizens, returned to their normal pursuits, leaving the undesirable elements as the great bulk of the organization.

A little further on he says:

At least two allied officers who had been carrying on espionage in Vichy France were killed; their FFI captors refused even to inquire of the nearby American army concerning their claim that they belonged to the allied forces.

On the following page I read this:

In Toulouse—

Always Toulouse, where de Bernonville was condemned.

—where the communist element was very strong, the situation was so tense that residents urged American occupation of the city for a few weeks until "the armed communist element could be brought under control."

Further on I read:

Then American officers and men began to draw FFI fire. These "accidents" coincided with a change in the French communist party line towards the United States. For the first few weeks after the liberation, all Frenchmen were unanimous in fervent gratitude to the Americans. Then the communists, evidently fearing that France would turn against Russia, began sniping at our forces. Since most of the newspapers of southern France were communist-controlled, an almost unanimous tirade of unjustified complaints arose in the press against the American army. There was also a crescendo of word-of-mouth propaganda. Civil affairs officers noted an organized communist-inspired campaign to discredit America and Americans with the French.

I wish to read one more passage. Speaking of General Parkman, the author writes this:

He was soon forced to intervene in another connection. In all parts of the south the FFI established drumhead courts whose judges were usually persons acceptable to the communists. These courts-marital, which had no legal basis whatever, tried thousands of Frenchmen, most of whom were sentenced to death or to long terms of imprisonment. The most notorious of these courts were at Nimes, Perpignan, and Toulouse.

The place where de Bernonville was condemned. To continue:

Such a scandal resulted from their illegal and summary proceedings that General Parkman wrote to General de Gaulle's military delegate, General Henri Cochet, insisting that the courts-martial be discontinued and succeeded by ordinary processes of law.

Mr. Robinson finishes his article by saying:

Such is the fuel under the bubbling cauldron of hate that is France today.

This was written in April, 1946. To continue:

If it boils over into further bloodshed and death, the world should at least know who is responsible.

When I heard the hon. member for Winnipeg North vindicating the French maquis, I knew that he was not well acquainted with all the information that could enable him to have an exact idea of that organization.

Regarding the maquis, the hon. member is reported at page 793 of *Hansard* to have said:

A word about the maquis might be in order. The maquis are men who gave back to France her soul during the war. They are the men who gave back to France her honour after the betrayal of Vichy. They are the men who died, not only to free France from nazi persecution but also to enable us to live in Canada as free men and women. The men of the maquis are heroes whose names will be remembered wherever there are free men.

We know, Mr. Speaker, that the maquis could be classified under three headings, namely, the military maquis; the communist maquis; and the terrorist maquis. Skirmishes, and even pitched battles, took place among members of the various underground movements, although the communist underground and the terrorist underground, outnumbering all others, were practically amalgamated. In a press conference in October, 1948, Mr. Francisque Gay, the present ambassador of France here in Ottawa, admitted that at the outset the resistance movement in France was ninety per cent communist.

Several underground leaders in the maquis were Russians. Their title of soviet agent gave them prestige and a part as leader. May I mention Kadewz Kosinski, in the Pas-de-Calais; Captain Votcharemko, great torturer of the group known as "Captain Marius' gang", who operated in the department of Saone-et-Loire; Captain Alexandre and Lieutenant Sabourov, of the red army, who played an important part in the Auvergne underground, and this band of Georgian killers who controlled the Dordogne underground, as was revealed in the course of a trial.

Sometimes they received orders from Moscow. No doubt this led to the apparently unexplainable assassination of leading personalities, such as General Debeney, army commanding officer during the first great war; or General Noel, former army commanding officer, Grand Officier de la Legion d'Honneur, kidnapped and assassinated with twelve other persons at Dorat, in the Haute-Vienne. There again, it happened that the victims were bona fide members of the resistance movement. Let me mention the case of Baron Henry Reille-Soult, hero of the first war, organizer of a military underground, who during the second world war invented a sighting gear, the plans of which he was able to forward to the allies.

Here is the evidence of Madame Reille-Soult, recently published in newspapers:

On July 21, 1944, Baron Henry Reille-Soult and his wife were arrested at Rancho and handed over to the group called "Le Chouan", which controlled the maquis in the forest of Lussac-les-Chateaux. After twenty-six days of terrible agony, they were compelled, with numerous other Frenchmen, to travel by forced marches across the region, to be then tried by a mock tribunal and locked up in a pig-sty. At the same time, under pretext of requisition, their property was looted, their livestock stolen, and their chambermaid raped by their tormentors, and they were finally freed after handing over a cheque for 60,000 francs.

Raymond Daniel, New York *Times* correspondent, in September 1944, wrote about the reign of the F.F.I., French forces of the interior, of the snipers and the members of the underground or maquisards in Paris. He described these irregular formations composed mainly of young loafers—such is the expression used by him—using guns, grenades, and machine pistols in the streets of Paris. People were denouncing their neighbours, believed to be collaborationists, to these guttersnipes, not to the police. On a mere denunciation originating from the first comer, members of the resistance movement invaded a house, arresting or killing the occupants. There again it happened that they robbed and killed people who were far better resistants than they were themselves. Pierre Tattinger, president of the municipal council of Paris at the time of the liberation, said, "The liberation committee was a committee of arrest, nothing else".

Here is the opinion of the eminent sociologist Joseph Folliet who, in September last, wrote in *Les Etudes*, the great Jesuit review:

Repression has taken the aspect of political revenge, and not of serene and universal justice. How

can we believe in a purging justice? Depending upon the time and place, the same charge warrants a death sentence here, twenty years' hard labour there, five years of national indignity elsewhere. Under the same general label of "treason" were classified traitors in the technical sense of the word, all the spectrum of "collaboration", every shade of "Petainism" including, sometimes, those who refused the collaboration program.

Now that we know of the mock tribunals existing in Toulouse, France, and it was in Toulouse that Bernonville was condemned in absentia; now that we know of the entire control of the tribunals by the communist maquis; it is worth knowing the type of man Bernonville is. At the age of twenty, he was made Chevalier de la Legion d'Honneur for his military exploits. At the age of twenty-three, he became Officer de la Legion d'Honneur for similar accomplishments. He later on was given seven citations and la Croix de Guerre 1918. He was wounded five times and bears the scars of thirty wounds. In 1940, he was singled out in the army orders of the day and awarded la Croix de Guerre 1940. This citation was published in the official journal of France. This is the record of a man whom the hon. member for Winnipeg North (Mr. Stewart) wants us to believe to be a traitor to his country.

When he gave evidence before the court in Montreal last fall, he made a sworn declaration which has never been denied, and cannot be denied by anyone, in which he related his actions and conduct during the war.

He accepted from Marshal Petain the functions of military governor of the district of Lyon. He was a full military commandant. He was entrusted with the security of people and supplies which was then in a precarious stage, having barely one day of food supply ahead. He also stated in the course of his sworn evidence that he had a secret mission with the purpose of preserving and saving all the military units and material under his command, to put them at the disposal of the allies at a moment to be decided by the chief of the French state. On August 20, 1944, his functions terminated and he met that day one of the principal leaders of the French underground and informed the latter of his military forces and material which he had salvaged from the Germans. One-half hour later, he was arrested by the gestapo and incarcerated in Nancy. He was released when the Americans reached that city.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at seven-thirty o'clock.

Mr. Dorion: Mr. Speaker, at six o'clock I was reviewing the duties that had been carried out by Count de Bernonville when he was at Lyons. I mentioned that in August, 1944, he was arrested and incarcerated by the German gestapo. I submit that those are facts upon which I would rather rely than on hearsay and gratuitous declarations. I wonder why a man by the name of Jacolson, and Mme. Camet, who are supposed to be actually secret agents of the communists in Montreal, did not come last fall before the court in Montreal during the trial, which lasted many weeks, to present their evidence against de Bernonville. That is the reason why I said the other day that I was convinced of the innocence of de Bernonville.

Coming now to the other point about the assistance given to our soldiers. I shall refer first to the evidence de Bernonville gave before the court in Montreal, and afterward to the testimony of a great Canadian soldier. It was in November, 1942, that he came to Vichy and stated before the court that he had participated with officers of the Vichy army in organizing and supervising a communication line, that is, shelters, relays, et cetera, in order to facilitate the escape of allied officers to Spain.

That sworn statement of de Bernonville was fully corroborated by Captain Antoine Masson of Montreal who, after having been sworn, stated in evidence that he had joined the army in 1940 and had gone to England with the Fusilliers Mont Royal. During his military service he was decorated with the Military Cross. He took part in the Dieppe invasion and was captured by the Germans and hospitalized in a German hospital after being wounded. Afterward he was transferred from place to place until in October, 1942, he was finally stationed at Chambaran. I shall quote the exact words used by Captain Masson when giving his evidence, which were as follows:

In the month of October, 1942, we were transferred to Chambaran. At that time, I mean to answer your question—the commanding officer of the camp was Commandant Lamothe, who at times, in various circumstances, used to come and speak with us and he was very anxious to enquire about our way of thinking and our reactions about the Vichy government. He showed to us, and among others to me personally, a list of fifty divisions of the French army that were ready to gather right in 1942 and help the allies in case of a mass invasion, that is, assist the allies against the Germans.

Here is what happened: We were called—two or three days before, we were called in the office of the commanding officer at the time of the German invasion on November 12, 1942. The commanding officer of the camp took the telephone, in presence of Lieutenant-Commander Michael Redvers Prior, who was also a prisoner of war with myself—a D.S.O. with Bar. He told me at that time: "It is decided, we are letting you go, yourself and Prior. Now sit down for a few minutes." He took the telephone, he asked to speak with Mr. de Bernonville and Mr. de Bernonville was not there then; he then asked to speak with Mr. de Bernonville's assistant, and they had a conversation of a few

minutes over the telephone and he said: "The organization of the two I have here in my office is ready and they will leave at two o'clock. Therefore, you will have to notify the authorities accordingly." He then hung up the telephone and what I report now is practically verbatim. And on the following day he supplied us with a bus and then we left for Grenoble, and then, step by step, we reached Spain.

Those are the reasons why I contended that de Bernonville had given assistance to our soldiers. As those facts were clearly established before the court and could not be contradicted, that must have been the reason why the judge expressed the opinion in rendering his judgment that this man should receive asylum in Canada. In his remarks the hon. member for Winnipeg North stated that he was amazed to learn that the judge had so expressed himself, and I quote from page 794 of *Hansard*:

> The court ordered the count liberated immediately and said it was directing authorities at Ottawa to grant him asylum along with his family.

Then the hon. member went on to state:

> That is an amazing statement, and in it I think the judge went far beyond the bounds of propriety.

I must tell the hon. member that there are precedents in our jurispudence for such a statement and I should like to cite one of them. A case dealing with one Carmichael is reported in 3 Dominion Law Reports, 1942, page 519, where Mr. Justice Coady, of the Supreme Court of British Columbia says:

> While this court has no jurisdiction to interfere with the order made herein by the court, yet one cannot help but express the hope that under all the circumstances here the enforcement of the deportation order may be indefinitely deferred and that the woman and son may be allowed to remain in Canada.

After Count de Bernonville heard of the statements made in the house the other day by the hon. member he authorized me to make a categorical denial because he contends that those statements are absolutely unfounded. Just before three o'clock this afternoon I received a telegram from Paris, but before reading it I would direct the attention of hon. members to the fact that it has been stated that the events referred to took place on June 20 and 21, 1944. Those events are supposed to have taken place at a place called Châlon-sur-Saône. It might be noted in passing that that place is more than 250 miles from Paris. This telegram is dated February 24 and is signed by six persons, one of whom was decorated for his resistance activities. It reads:

> We certify on our honour Jacques de Bernonville was in Paris from the 17th to the 21st June, 1944. We have seen him there.

And the telegram is signed by:

> Abbe Hadot, Professor, Grand Seminary, Versailles.
> Isabelle and Jacqueline Ronin, 80 Ranelagh.
> Madame Lallemant, displaced widow, 26 Faisanderie.
> Madame Deverdelon, 1 Fenelon.
> Landry Lagatinerie, decorated for resistance activities, 1 Dickens, Paris.

Frederic Dorion, M.P.,
House of Commons, Ottawa.

I submit that a telegram of that type from six reliable persons is much stronger evidence than the statements reported by the hon. member. In closing I should like to recall that when the United Nations were assembled in Paris in December, 1948, they adopted a declaration of human rights, article XIV of which reads as follows:

> Everyone has the right to seek and to enjoy in other countries asylum from persecution.

It is the application of that rule that we request in the case of de Bernonville. I will go so far as to say that if it could be established properly and legally that this man is a common-law criminal he would not be able to find anyone to contest an order of deportation. But contending as I do that he is a political refugee, I say to the government that it is their duty to give him shelter in our country because the right of asylum is a sacred right which has always been recognized by all civilized countries of the world.

(Translation):

And now, Mr. Speaker, I should like to quote two excerpts from a book on international law by a well-known French writer, M. Calvo. Here is what I find on page 574, Vol. 2, No. 1034:

> In 1849, during negotiations conducted by the great powers in connection with Turkey's refusal to hand over to Austria certain individuals who had been involved in the Hungarian insurrection and had taken refuge in Wallachia, Lord Palmerston wrote on October 6: "If there is today a rule which, more than any other, has been observed in modern times by all independent states, large or small, throughout the civilized world, it is the rule whereby a government should not hand over political refugees, unless some positive provisions of a treaty compel it to do so, and His Majesty's government believes that there are few, if any, such agreements. The rules of hospitality, the requirements of humanity, the feelings which are a natural attribute of man combine in ruling out such extraditions, and any independent government which of its own accord would grant one of such a nature would justly and universally be stigmatized as having disgraced itself.

In conclusion, Mr. Speaker, may I say that the documents to which I referred and the quotations I submitted this afternoon clearly show what kind of courts existed in France

in 1944 and as late as 1946. I have here the testimony of a French author, who wrote in November 1948, in the magazine *Conferencia*, that practically the same conditions still exist. He writes as follows:

There is yet another crime, but of an essentially moral character. Men and women who, in France and in our empire, have followed Pétain in good faith (I naturally leave out profiteers of the regime, the mob of cowards only too eager to hide their guilty conscience under the mantle of the victor of Verdun, shady politicians and racketeers of all stamps), such men and women were always, yes always, of the French élite. Their unselfishness, courage and patriotism were unquestionable, and I have known many of them. Blinded by the myth of Pétain, deeply convinced as they were, that the old man of Vichy was thinking only of France and that, when the day came, he would pull them out of humiliation and defeat, they allowed themselves to be drawn on the sinuous way where a glorious name guided them, committing themselves to Pétain, entrusting themselves to him body and soul.

Many, at this very moment, are paying dearly for their misplaced trust and their lack of critical judgment. Many were tried by so-called civic chambers, in so-called courts of justice, presided over by magistrates who, not so long ago, were light-heartedly sending our comrades to prison or to the firing-post, aided and abetted by too many so-called "résistants", whose fresh titles would have borne looking into or about whom it would have been nice to know if they were not putting political rancour or personal hatred above equity. Many of those unfortunate Frenchmen and Frenchwomen are now rotting in overcrowded jails or concentration camps. Some are yet waiting to be questioned. Well, I have seen all this happen in Spain, two years after the civil war and, according to press reports, it still prevails on the other side of the Pyrenees. There have been rightful protests against this shame, this challenge to justice and humanity. I say, regretfully, that today Spain can reply that she has no cause to envy us in that respect. It is an outrageous blemish on the name of France, a festering sore that infects everything, poisons everything and which, as long as it is not cleaned up and healed, shall impede any earnest attempt at reconstruction in this country. It is not realized that France emerges, in fact, from a larval civil war, a war, more insidious and therefore more dangerous yet than the war in Spain, because it goes under the false colours of a war of liberation.

Mr. J. G. L. Langlois (Gaspé): Mr. Speaker, before opening my remarks, I wish to abide by the tradition of the house as far as the debate on the address in reply to the speech from the throne is concerned. It is with great pleasure that I do so.

I must first congratulate the mover and seconder of the address in reply, the hon. members for Essex West (Mr. Brown) and for Laval-Two Mountains (Mr. Demers). Both fulfilled their task with tact and skill.

I have special words of praise for our new colleague from Laval-Two Mountains. As a newcomer in the house he was invited by the Prime Minister (Mr. St. Laurent) to second the motion now being discussed.

[Mr. Dorion.]

Being a new member myself at the opening of the session in September 1945, I had the same experience, having been called upon to second a similar motion. I congratulate the hon. member most heartily on his maiden speech in the house. As was stated this afternoon by another speaker, he was a credit to his constituency and to the house at large on that occasion.

(Text):

I also extend congratulations and best wishes to the new cabinet ministers, the hon. Minister of Justice (Mr. Garson), the hon. Secretary of State for External Affairs (Mr. Pearson), and the hon. Minister of Reconstruction and Supply (Mr. Winters). When they joined the cabinet they already had a substantial and meritorious record of service. I am convinced that their new functions will afford them a better opportunity to continue to serve Canada with equal devotion.

(Translation):

During the debate on the address in reply to the speech from the throne, it is customary also for hon. members to praise the good points of their constituencies and proudly display the development and progress of the industries that flourish in their district.

I too may well extol the natural scenic beauty of my constituency. In fact, I can assert without fear of exaggeration, that I represent a constituency which is one of the loveliest spots not only in the province of Quebec but in the whole country. I refer to the Gaspé peninsula.

I regret to say, however, that, unlike previous speakers in this debate, I cannot praise the development and progress of our local industries.

As a matter of fact, my constituency is now feeling the ill effects of what is apparently the beginning of an economic depression.

Last October, November and part of December I traveled up and down my constituency and, during this comprehensive tour, I saw with deep concern, how far our economic situation has slipped from the peak prosperity it enjoyed during the war.

This kind of talk may sound strange when, admittedly, every part of this country is enjoying a degree of prosperity such as it had never known before. But when I shall tell

this house of the very special conditions in my constituency and point out the causes of this incipient economic depression, I am sure my fellow members will all agree I am right.

There are only three industries in my county—I will not call them the chief industries, because they are the only ones—and these are deep-sea fishing, lumbering and the tourist trade.

As early as 1937, if I remember well, about two years before the start of the last war, my district had begun to feel the consequences of the world war that was to follow. Indeed, Canada having agreed to take part in the economic sanctions directed at Italy when Mussolini declared war against Ethiopia, my district lost, as a result, its biggest market for dried fish. This product, needless to say, is the cheapest one to manufacture in my district, as it requires less care than is necessary for the kinds of fish we can produce.

During the war a new market was opened up to us, that of England and of allied nations where, because of a shortage of meat at the time, we could sell frozen fish. Because of this new market, we had to convert our salt and dried fish industry into a frozen fish industry.

To comply with the requirements of this new market, we poured money into the venture, built additional cold storage plants and overhauled our production methods from top to bottom. This market lasted throughout the war and even for about two and half years after the war, under the so-called post-UNRRA plan.

Now that this new market has vanished we have had to reconvert our industry so as to regain our former customers. However, economic conditions in South American countries, in Central America, and in Italy, do not allow us, at the moment, wholly to recover the world market we enjoyed before. Therefore, Mr. Speaker, since the war ended, the price of fish took a frightful plunge.

Furthermore, our fishermen from Gaspe have to compete with the fishermen from the maritimes, who are able to use more modern methods. Indeed, in New Brunswick as in Nova Scotia, fishermen are able to benefit from the federal grants initiated during the war to promote fisheries in Canada.

During the war, indeed, the federal government provided grants to fishermen anxious to build trawlers in order to increase their catches. The building of these trawlers was a rather costly proposition and required especially the preparation of detailed drawings and specifications that had to be approved by the inspection branch of the Department of Transport. The services of architects were required for the drawing of plans. So, in view of the prohibitive cost of these drawings, our fishermen in Gaspe—that is the main reason why they have been unable to benefit from the federal grants—were unable to build their trawlers in accordance with federal requirements.

As far as the fishermen of my province are concerned, I know that the Quebec government could have done as in New Brunswick where they, to supplement federal subsidies, paid for the drawing of plans by naval architects. The Quebec government did not see fit to grant the same privilege to the fishermen of Gaspe.

The second reason why the majority of fishermen of my constituency cannot purchase trawlers is the lack of appropriate fishing harbours to accommodate deep-draught ships. Since my election as representative of Gaspe county in this house, I have constantly urged the Minister of Public Works (Mr. Fournier) to provide more fishing harbours in the Gaspe peninsula, so that a larger number of deep-draught vessels may put into port there. I must thank the Minister of Public Works for the courtesy, the sympathy and, might I say, the generosity with which he has always received my requests. However, much remains to be done.

I believe that it is a federal responsibility to provide for more fishing harbours that would enable our fishermen, as I said a moment ago, to build larger boats and increase their catch. They would be in a better position to compete on a fairer basis with the fishermen of the neighbouring provinces, and by that I mean the maritime provinces.

The lack of decent fishing harbours is a serious handicap to our fishermen, compelled as they are to use smaller craft.

All our fishing harbours are tidal harbours. This means that to go out or return the fishermen must wait for the tide. Sometimes they fish all through the night and then find that they cannot put into port because

the tide is out. They must therefore wait four or five hours, during which time their catch loses much of its value.

Again, due to the fact that we lack decent fishing harbours in the Gaspé district, our fishermen cannot secure loans to build their boats because these craft, once completed, cannot be insured. I have myself approached various marine insurance companies, but no insurance can be secured for these boats because we lack decent harbours, decent shelters where they might be safely moored during storms. The marine risks are too heavy. That is the reason why private insurance companies refuse to take them. If we had larger fishing harbours, where our fleet could find a haven, our fishermen could take out an insurance policy on the boats and of course, if they can insure their craft, it logically follows that they can obtain credit from our lending institutions.

The other industry we have in Gaspé is the lumbering industry. In the past, we have always made our sales on the European and South African markets. During the war, this industry prospered, as did the ocean fishing industry, but since the end of the war, our activities in this field have reached a rather low mark. After having lost the British and South African lumber markets, we now have to turn to the domestic markets, either in Quebec or Montreal. Even those entirely unacquainted with this region can well imagine the situation that must be faced by Gaspé lumber producers, when we consider how far Gaspé is from Quebec or Montreal.

You can see the predicament of our lumber producers. They have to compete with producers close to the main Quebec markets.

This is not the only problem of our lumbering trade. The Gaspé coast is abrupt and difficult of access. The national highway around the peninsula crosses one mountain range after another. Our commercial wharves are on the average 25 to 30 miles apart. It is easy to imagine how hard it is for our lumbermen to bring their wood down to the ships that take it up to Montreal or Quebec. That is why I again ask the hon. Minister of Public Works (Mr. Fournier), as I have repeatedly in the past, that new wharves be built in Gaspé, so as to bring our local industry into line with those of the better developed districts in the province.

[Mr. Langlois.]

Mr. Speaker, a year ago I put a resolution on the order paper requesting that careful consideration be given to a certain project, viz that the Canada Gulf Terminal Railway, now linking Mont Joli to Matane, be extended to Ste. Anne des Monts.

I hope that within a very short time this house will have the opportunity of giving a favourable vote on this proposal but meanwhile I must bring it to the attention of the Minister of Transport asking him, on behalf of my electors, to give it his sympathetic consideration. Such a railway would afford a good part of my constituency a better access to the Montreal and Quebec markets, to which I was referring a few moments ago. If I may mention the benefits which one of our industries would derive from such an extension, I shall say that through the lack of railway facilities we are unable, in that part of my constituency, to sell our lumber on the United States market. Of course, with the extension we are now asking, that market would at once be opened to our local producers.

Before I conclude this part of my remarks relating directly to my constituency, let me say, Mr. Speaker, that in the past it has always been thought that the solving of the economic problems of the Gaspé peninsula might lie solely in the export of our manpower. I now want to correct this false impression and false opinion because I believe that if we in Gaspé were given the means ordinarily afforded any other district, we would be able to provide for our own maintenance without being compelled to leave our little Gaspé country which we love so dearly. To use the words of the great British political leader in the last war: "Give us the tools and we will finish the job."

Mr. Speaker, I shall spend the rest of the time allotted to me this evening in making a few remarks on Canadian politics in general.

First, I heartily approve the wonderful speech delivered this afternoon by the hon. member for Provencher (Mr. Jutras) and I approve unreservedly the proposal he made—a suggestion which had already been made by several other members—to the effect that Canada should be represented at the Vatican.

Allow me now to congratulate and thank on behalf of my compatriots of Quebec the right hon. the Prime Minister for the deserv-

ing effort he has made and the practical results he has achieved, since his rise to his present position, in order to give a fairer representation to my French-Canadian compatriots in the civil service.

Last year I had the opportunity to discuss this question of the federal civil service and more particularly of our French-Canadian representation in that service. In the speech I made at that time, I answered a so-called nationalist who took a gloomy view of the situation, in so far as our representation in the civil service was concerned. In order not to paint so gloomy a picture for those of my province who might like to enter the civil service in Ottawa, I thought it advisable then to point out to this house that we had had some success in that field in the past.

Besides, my views at the time were justified for, later on, the Jean report acknowledged that one of the reasons why there were not enough French Canadians in the civil service, in Ottawa, was that our prospective applicants had been made timorous and that our citizens from the province of Quebec were afraid to apply for a position in the federal civil service.

However, when making these remarks, I failed to take what is commonly known as a rhetorical precaution—I made what some people consider the serious mistake of forgetting to state that I was not satisfied with the situation at the time, any more than I am with the situation now. Yet I was immediately made a target for abuse and accused of stating, although I had said nothing of the sort, that I was satisfied with the situation in the federal civil service, in so far as the representation of French Canadians was concerned.

I made no effort to correct that impression I did not even attempt to challenge this statement, except that I asked the hon. member for St. Maurice-Lafleche (Mr. Hamel) to quote that part of my speech where I was supposed to have said that "I was satisfied." He then admitted that I had said nothing of the kind. I did not deem it necessary to refer further to that charge. However, I think my hon. friends will be surprised to hear that, a few weeks ago in Quebec, the same nationalist member to whom I replied in this house last year—

Mr. Gauthier (Portneuf): Name him.

Mr. Hamel: Name him.

Mr. Langlois: I shall, later. This same nationalist member stated that the question of a larger representation for French Canadians in the dominion civil service was only a minor matter. Now, I think it was the hon. member for Quebec-Montmorency.

Mr. Gauthier (Portneuf): The member for Quebec, period.

Mr. Langlois: I must add that in his speech before the legislature this member of the provincial house weighed representation of French Canadians in the dominion civil service against policies of concern to the country at large. However, I can well imagine what those who criticized me last year would have said if, perchance, I had had the misfortune of stating that French-Canadian representation in the dominion civil service was only a matter of secondary importance.

Mr. Speaker, back home, when speaking to the good people of my constituency, people who know me, I am not in the habit of minding my statements to that extent, and I ask to be permitted to do likewise in this house. Besides, I am more inclined to practical patriotism, such as that of the Right Hon. Prime Minister.

Some hon. Members: Hear, hear.

Mr. Langlois: Besides I believe no part of those great problems will be settled, for problems there are, though one is sometimes prone to magnify them, with mere protestations of patriotism or of boundless nationalism.

(Text):

In this debate, on Monday, February 21, the leader of the opposition (Mr. Drew) deemed it necessary, for his own good, to make the following statement as reported at page 732 of *Hansard*:

In a flattering way hon. members opposite as well as some to my left seem to have been assiduous in reading past speeches of mine to which I pay much less attention today then they seem to. The interesting thing, however, is that throughout all those speeches I was emphasizing a basic principle which has never changed; that is, that I believe under our federal system there should be a strong central government with clearly defined powers and there should be strong local governments with clearly defined powers, all having taxing powers, clearly defined, adequate to carry out their responsibilities. For years I have criticized overlapping as between the dominion government and the provincial governments. I have criticized increased overlapping on

the part of the dominion government, as I have criticized overlapping by the provincial governments. By such an inquiry as was urged by myself and others at the dominion-provincial conferences that overlapping could be effectively eliminated.

I know that in the past the leader of the opposition on many occasions has complained of having been misquoted. But if he compares the mild statement to which I have just referred with the following press reports of some of his previous utterances on provincial autonomy, he will surely be obliged to accuse the present leader of the opposition of having misquoted the former premier of Ontario. I refer to the Montreal *Gazette* of November 13, 1942, page 20, column 1. The Montreal *Gazette* was giving a fairly substantial report of an address he made to the Mount Royal division electors, community hall, N.D.G., and he is reported to have said:

If a contract is to be binding, both parties to the contract must observe the conditions, and it certainly takes no lawyer to understand that unless the conditions upon which a contract was made are observed, then any special rights which arise out of the contract come to an end, therefore without any misunderstanding—

And this is in quotation marks in the press report.

—"I believe that it is appropriate that we should make it clear that any rights which may be claimed under the British North America Act can only continue so long as the basic condition is recognized, and that the pact, among other things, is for the purpose of promoting the interests of the British empire. That is one of the things we should keep in mind."

In the same press report the Montreal *Gazette* quotes the leader of the opposition as follows:

Colonel Drew cited the preamble of the British North America Act, with its stipulated consideration that " such a union would promote the interests of the British empire," and he made the points that every right claimed under that contract is dependent and contingent upon that condition and then he said an interesting thing . . . "That should be taught in our schools" . . . whether or not it was so intended that sentence carries explosive implications. It implies federal supervision, if not control, of education. That in turn, implies a change in the Canadian constitution from piecemeal federalism, and in the direction of solid nationhood.

Again, I read the following report in the Toronto *Star* of February 23, 1935:

London: Digressing from a defence of the capitalist system during which he traced a picture of Canada overrun with "halfbaked theorists spreading plausible lunacies and quick tricks to end the depression" the former commissioner launched upon an attack on the attorney general.

For Canada, harassed by debts, labour troubles and conflict in company, insurance and labour laws, Colonel Drew saw in one strong central government the solution, instead of an utterly mad jig-saw puzzle of ten conflicting governments. If we were starting all over again who would be crazy enough to set up ten governments in Canada? he demanded.

[Mr. Langlois.]

In the Toronto *Globe* of November 10, 1936, reporting an address at the board of trade club on November 9, 1936, the leader of the opposition is quoted as having said the following:

Canada must eliminate the costly inefficiency of ten governments doing in most cases, the job of one, or else sink in the rising tide of fascism . . . We must decide whether we are one nation or nine.

I have still another quotation made on another occasion when he went so far as to speak of a main office—that is the central government—and nine branch offices; that is, the nine provincial governments. One wonders today what has happened to the branch offices mentioned in his earlier statements, considering his last statements on the same subject. On Monday the hon. member said that he wanted then to point out only the overlapping authority vested in both the central and the provincial governments. But when one speaks of main offices and branch offices one has surely in mind more than the mere problem of conflicting authority and jurisdiction.

Speaking on this important problem of dominion-provincial relations the other day when taking part in the debate on the entry of Newfoundland into confederation, I made a suggestion which I want, in the few minutes left at my disposal, to repeat with some additional details. I said then: If the nine provincial premiers are sincere when they claim that their autonomy is threatened by the past efforts of the central government to come to agreement with them on constitutional problems, why are they prevented today from getting together themselves, on their own initiative, with a view to agreeing on a formula which will be accepted by the nine provinces?

We have been accused—and by "we" I mean the central government—of having strayed from the path laid down by the fathers of confederation. We have heard it said—and among the provincial premiers whom we have heard in this connection has been the premier of Quebec—that the central government is the daughter of the provinces. Well, Mr. Speaker, what is to prevent the premiers of the nine provinces from setting us back onto the path laid down by the fathers of confederation? Why do not the premiers of the provinces follow the example which was followed at the preliminary conferences of Quebec and Charlottetown? The representatives of the then existing provinces or colonies were not afraid to get together and come to a common agreement which served later on as the basis of our confederation of today. They were not afraid to get together and lay before the imperial government of the time what was their idea of a federated Canada.

If the premiers of the provinces would so get together and discuss provincial autonomy, if they would discuss these provincial rights together—and they could include fiscal arrangements in their discussions—and if then they would come to Ottawa with a combined agreement which could serve as the basis of a dominion-provincial conference, I say, Mr. Speaker, without fear of being contradicted by the members of my party, that the central government would then be pleased to meet with the provinces anew after such a procedure had been followed.

May I add this, Mr. Speaker. I believe sincerely that, so long as we are going to mix politics with this most important question of provincial prerogatives or dominion-provincial relations, we are not going to meet with success. I venture another suggestion. When at the end of the 1939-45 conflict the nations of the world joined at San Francisco to draft a constitution for the future United Nations assembly, most of the countries sent bi-partisan delegations. I am sure that if at these preliminary meetings, which I have just suggested, the provincial governments would send bi-partisan representatives, the central government would be ready to do the same thing at the dominion-provincial conference following them. By doing that we would at least be taking this most important problem out of politics. If bi-partisan policy was good when it came to deciding on the constitution of the international body which was to deal with the future of Europe, including countries which were former enemy countries, it surely must be good when it comes to amending the constitution which will govern the future of Canada, our beloved country.

Mr. Graydon: The government does not do that, though.

Mr. A. L. Smith (Calgary West): Mr. Speaker, I begin by paying my compliments to all those who have spoken before me. I intend to direct these compliments a little later to two of the ministers. Before opening as I had intended to, I should like to tell the hon. member for Gaspé (Mr. Langlois) a little story, the moral of which I hope he may grasp. I am thinking of his attack on my leader in the latter part of his remarks. It is said—I should add, I suppose, sir, that it comes from the usual authoritative sources from which government pronouncements come—that at the time Noah built his ark he gathered the animals together, that they came in by a single strong plank. That was necessary, perhaps, to count them as you count and register cattle through a gate. You see, they had to come by a plank because Noah had to build his ark with a doorway somewhat above the waterline when the ark was loaded. It so happened that the fly preceded the elephant. The fly turned around to the elephant and said: "Whom do you think you are pushing?" I just suggest that to the hon. member for Gaspé.

Because of the latitude which you have allowed in this debate, Mr. Speaker, I want to take the time to pay a compliment to the city of Ottawa, to the people of Ottawa, and to a certain football club in Ottawa which is the second best club in Canada. I mean every word that I say. I think that particularly the sports writers of the papers were fair. I think that in his broadcasts Tommy Shields was both accurate and generous, and therefore my hat is off to this city, to its football players and to its football fans. But I noticed last evening that our brand-new Secretary of State for External Affairs (Mr. Pearson) addressed a banquet given to those splendid players. According to the newspapers he said that he had written his speech while listening to a dull address by a member of the Progressive Conservative party. I thought that was rather good. But then I thought that the member of this party who was speaking must have had a particularly soothing voice because, having read the speech of the minister, I am quite sure that he wrote it while he was sound asleep.

I should like now to pay a compliment to the people of Toronto. Two or three hundred people went there, all of them paying their own way, and they did not break a thing in the Royal York hotel. Perhaps some of the members of the universities who were there a week or ten days ago might note that, because at that time the damages ran into thousands of dollars. That excursion, and it was that, did more to bring about understanding between eastern and western Canada than all the speeches that have ever been or ever will be written. My hat is doffed entirely to the people of eastern Canada. As I am essentially a kindly person I should like to include the Secretary of State for External Affairs in the compliments I am paying.

There are three or four things I intend to mention in this debate. I think it is a shame that this debate should be broken up into pieces, as has been done to some extent this year as well as on other occasions during my short sojourn in this parliament. The debate on the address is the only opportunity that private members in all parts of the house have to make suggestions to the government as to the items that should be contained in the budget or as to legislation which it is thought should be brought down by the

government in power. So I intend to mention three or four things which in themselves may seem to be small or even insignificant.

My first suggestion is that the government should make a change with respect to the superannuation allowances of the Royal Canadian Mounted Police or the Royal North-west Mounted Police, as they were then known. I want to be extremely fair. The answer given by this government is exactly the same as the answer given by the Bennett government. In saying that, I think I clear myself of the charge of having political motives in mentioning this matter. The answer is that this would involve changing all civil service superannuation matters.

These men may be technically civil servants, but only technically. They do not have an eight-hour day; they are on call twenty-four hours, day and night. The old regulations, and I assume they are still the same, made a man subject, not only to criticism but to court martial, if he lost a prisoner in a period of five days during which he would have to stay awake. That is the kind of job they are doing. The argument that you must treat the civil servant, whether on an eight-hour day or not, the same as you do the former mounties does not hold water.

I make the following suggestion to the Minister of Veterans Affairs (Mr. Gregg) and perhaps to the Minister of National Health and Welfare (Mr. Martin), or in any event to those people who have charge of veterans hospitals. This could be done without any definite statutory authority; it could be done by changing a regulation. There are not a great many of these old men—they are old now—and I suggest they should receive the same hospitalization as the veteran. That would help these poor old chaps who have done a real job for us and who are now unable to take care of themselves.

I turn now to another matter where I think separation in legislation is not only essential but imperative. I refer to the blind. There is no more reason why pensions for the blind and pensions for the aged should be in one act than there is that you should associate any two matters as far apart as the poles. They are asking for that. I am sure that we have all been circularized with respect to this matter. They want to be considered separately and it would be a simple thing to do by way of legislation.

I come now to two matters that have to do with health. I am sure we have all had letters with regard to the arthritics, and I am sure also that many of us have had letters with regard to the incurable. I would crave some of your time in order to read a letter I received this morning, and I might mention that it is not from a constituent of mine. It reads:

Dear sir:
My son—

I will not mention the name.

—has been paralysed since the age of 10 years; he is now 27 years old. He is incurable, he cannot use hands or feet. It's called agitating paralysis and the continual shake troubles him more than the paralysis. His dad died seven years ago at the mine, so I am a widow (his mother). It's impossible for me to leave him except for an hour or so, so I cannot work myself. I have not left him a day in seventeen years. Why is there no pension for incurables?

I know all about provincial jurisdiction, but before now this parliament has made grants in aid in connection with pensions. Last evening the minister expounded that for an hour and a half, and I shall have something brief to say about it in a moment.

With regard to the first subject, it does seem to me that none of us could receive a letter like that without having his heart strings wrung and without feeling that perhaps we are not doing our job. I do not say that critically, I do not mean it in that way at all; but it does seem to me that we have failed in doing a humanitarian job unless we do what we can to alleviate conditions of that kind.

In speaking about arthritis I want to say that I know something about it, having had some difficulty with that ailment not so long ago. I spoke about arthritis in the first session after I came down here and I have spoken about it during each session since then. We have been talking about it since 1945 but we have not done one single thing. There are 600,000 people who today are suffering arthritic and rheumatic pains. Not all of them are cripples, but a great many of them are, and we have done nothing. It is perfectly true that about a year ago the minister gathered together some people who formed an association and had an organization meeting. They have not met since, and the arthritics are in the same condition as they were when I came down here.

Mr. Martin: The hon. gentleman would not want the country to get that impression. They have met. They are meeting repeatedly; as a matter of fact, they met a week ago last Saturday. They have an organization in Ottawa. The hon. gentleman asks what they did. If he will read the speech I made last night, he will see what they did.

Mr. Smith (Calgary West): I am one of those who heard most of the minister's speech last night. I am one of those apparently who read it carefully and accurately this morning.

I repeat that not one thing has been done for arthritics except a lot of talk, and newspaper advertising which has gone across the country. I will tell you somebody who is doing something for the arthritics. Anyone who read the speech from the throne in Alberta a few days ago will find in that speech from the throne that they promise both clinical care and hospitalization for the very young and the very old who are suffering from this illness.

Mr. Martin: Partially with money provided by the federal grants.

Mr. Rowe: Where did you get the money?

Mr. Smith (Calgary West): I am going to tell you about your money in a minute.

Mr. Martin: You said we were not doing anything.

Mr. Smith (Calgary West): I promise the minister that I will not overlook what he is doing with the people's money, if I may put it that way. In the town of Banff, which is in a national park, there is a doctor by the name of Robinson who has two sons who are also medical men. The three of them are operating a clinic and a hospital. It is the only institution of its kind that I know of in Canada. There, by way of research and treatment, these three men have done more for arthritics than all the government organizations, provincial or dominion, in the whole Dominion of Canada.

An hon. Member: Oh, oh.

Mr. Smith (Calgary West): I am sorry that I did not hear what was said then, but I did think I heard the buzzing of another fly.

Mr. Grant: Tory wit.

Mr. Smith (Calgary West): Tory what?

Mr. Grant: Wit.

Mr. Smith (Calgary West): I am delighted to be described as a wit by a famous psychiatrist; I don't know whether it is with animals or humans. The business of treatment of this illness is all right, but what we need is a concentrated drive to find the cause, because no one has yet found what causes it.

I turn very briefly now to the speech of the Minister of National Health and Welfare (Mr. Martin) of last evening. Frankly it was not a speech; it was an oration. Many people's names passed through my mind. I thought he looked a little more like Daniel Webster than Horatius at the bridge, or anything of that sort, but it really was a magnificent oration. A careful examination of it reveals—what? It reveals that his department, because we voted a certain amount of money in parliament, has paid out that money to provincial people who are making use of it. That is the total achievement of the minister's department.

You know, Mr. Speaker, when we sit around in our rooms and chat with one another we discuss many subjects. Very often we talk about one another, and particularly about the cabinet ministers, and we have difficulty deciding just who is a great man. The Minister of National Health and Welfare solved that. I have got to give him the number one prize because we require no proof that he is a great man. He admitted it very frankly last night.

I now turn to the speech made by the Minister of Agriculture (Mr. Gardiner). It is the best political speech I have heard in this house. I pay him that compliment. While he was speaking my mind was searching for something, and it finally came to me a few minutes ago. It is based on a little article in the *Reader's Digest* that appeared a year or a year and a half ago. According to this little story three bulls were out in a pasture near Ottawa feeding on the lush grass.

Mr. Howe: A very old story.

Mr. Smith (Calgary West): I am very glad that the minister says it is a very old story, because he knows that his old jokes are the best that he has got, and I am in the same spot. What I am doing is improving on the story in the *Reader's Digest*, to this extent. While these bulls were eating the lush grass they had one ear cocked on a radio which was in the field. They were listening to a speech by the right hon. Minister of Agriculture. He was telling them what a wonderful country this is, how great agriculture was here, there, and elsewhere. They decided to take him at his word and go on a little trip to see what really was going on. They got on the road, and there was the big bull, the intermediate bull and the little bull. They trotted along the roads, and they came to Toronto. The royal winter fair was on, and the big bull thought that was the spot for him, so he stopped there. Then the intermediate bull and the little bull went on. I may be short of time, and I wish my friends would not give me quite so much help.

Mr. Grant: Go ahead, give us some more bull.

Mr. Smith (Calgary West): They went on and they came to London. The intermediate bull jumped the fence because he thought London was all right; but the little bull went on to Windsor, passed through the tunnel went across the western states, the dust bowl, and on into the mountains somewhere. In short, he went on and on and on. That is

not a funny story, but it seems to me that it has a moral for the Minister of Agriculture, and it is that sometimes a little bull goes a long way.

Mr. Grant: You have a lot of bull in front of you.

Mr. Smith (Calgary West): Frankly I wish you would keep quiet. I cannot hear you, and if I did hear you it would be silly anyway.

Mr. Deputy Speaker: Order.

Mr. Smith (Calgary West): While the minister was speaking I admired him as a mathematician. He and I graduated from what we were delighted to call an institution of learning. It was not very strong on mathematics. It was not very strong in mathematics. Recently I was somewhat concerned because I heard that the great mathematician Einstein was not well, and I thought what a tragedy it would be if we lost him. Now, however, I think the loss would be only to his own immediate family, because I am sure the minister is ready to take his place. The way he threw those hundreds of thousands and millions and billions up in the air and caught them behind his back, under his leg and all that sort of thing was one of the most amazing pieces of jugglery I have ever seen. When I was a wee lad in Regina, which place he also knows very well, the only entertainment we had was when the Kickapoo Indian medicine show came to town. In the first gaslights I ever saw, too, I watched a fellow called a prestidigitator, a sort of cross between an illusionist and a juggler. He had these metal balls, one of which he would let drop so that it nearly went through the platform they had built outside. He also had iron bars which he got under with a terrific effort and lifted into the air, nearly breaking his back in the process. Then he began to toss these great iron balls around like nobody's business. While he was doing this, at the edge of the platform there was a woman in tights, the first such woman I ever saw. This woman was singing a song, I am quite sure in order to distract the attention of the kids from the man. My attention was distracted already, but this was her song:

> They are large balls, as heavy as lead;
> With a flip of his wrist he gives them a twist
> And throws them right over his head.

That was what the minister did with his millions and billions all through his speech.

Now I intend to discuss that speech, which I have since read, to at least this extent. From what he said I gathered that the Liberal government takes credit, particularly in agriculture, for all the good things that ever happened to us, and that the difficulty in which they find themselves now arises because a man by the name of Bennett made the Ottawa agreements of 1932. I am not going to quote any millions or billions or anything of that sort, but I do assert that what Mr. Bennett said then and what the late Mr. Woodsworth said then, that there were no markets, was absolutely true. The minister did not tell us that under the Hawley-Smoot tariff we had been closed out of the United States market. There is no question about that; and remember, that was in June of 1930. So when our party came into power, with things in chaos and no agricultural markets whatever, what did Mr. Bennett do? He made a market by means of the Ottawa trade agreements. And remember that a very few years before that the then Prime Minister, the Right Hon. Mr. Mackenzie King, made a similar agreement with Mr. Baldwin. It never came into operation because Mr. Baldwin thought and said that in view of the previous commitments of his party, made by Bonar Law, he should have an election. They had the election and he was defeated; but the agreements of 1932 followed the agreement made by the Right Hon. William Lyon Mackenzie King with Prime Minister Baldwin just a few years before. That is the true history of this matter of quotas; that is exactly what happened. That, of course, was not mentioned in this oration by the minister, which was second only to the major effort of his junior, the right hon. Minister of National Health and Welfare (Mr. Martin).

Mr. Martin: Thanks for the promotion, making me an imperial privy councillor.

Mr. Smith (Calgary West): Well, I do not know anyone I would rather promote, but perhaps we can put it down just to wishful thinking and let it go at that.

What is the answer to the present position? It will be said immediately that it is a dollar problem; and anyone who denies that the dollar situation has a great influence on this and all our other problems would be fair neither to himself nor to anyone else. But if the right hon. minister is going to take all the credit for the good things, as he did last night, then he must accept responsibility for those things which are no good. His government, and no one else, got us into the position we are in at the present time.

Now I want to turn to a few figures, the only ones I intend to use. The minister endeavoured to persuade us, or perhaps it would be better to say to persuade those who might read his speech, that the farmer in this country, particularly the wheat farmer, is better off than he has ever been. That I accept if you keep within the confines of this country, but what is the position as com-

pared with other people? I have a few figures here, not from any outside source but from sessional paper No. 115A, dated Wednesday, February 4, 1948, in reply to a motion by the hon. member for Maple Creek (Mr. McCuaig). On page 2 of that return we have the monthly average prices for wheat to domestic users, to the United Kingdom, and to other purchasers not included in those two classes. I am using the figure $1.55 for the United Kingdom, to which must be added the 20 cents about which the Minister of Trade and Commerce (Mr. Howe) told us this afternoon. He appeared very anxious to get these cheques out before seeding, but it seemed to me there was more than seed involved. I think this means a June election, but of course they know more about it over there than I do. I take the year 1946-47 and begin with August, the first month in the crop year. The price to the United Kingdom was $1.55, to which must be added the 20 cents. The price elsewhere was:

August	$2.05
September	2.07
October	2.15
November	2.27
December	2.26
January	2.27
February	2.45
March	2.88
April	2.85
May	2.88
June	2.59
July	2.53

Then I go on to the next year and take the $1.55 again plus the 20 cents for the United Kingdom. The other figures are as follows:

August, $2.62; September, $2.94; October, $3.22; November, $3.30; December, $3.29.

I might say that the difference between the agreement price and the last figure is $1.74. If one considers the twenty cents, it makes it $1.54 a bushel. No matter how anyone may be able to juggle figures, and you can prove almost anything by figures, there is $1.54 that the farmer lost. Nobody can laugh that off. The farmer received that amount based on this grain at Fort William.

Another thing one must take into account when considering these figures, especially when the minister mentioned millions and billions, is the value of a dollar today. What is our dollar worth? If it is worth half what it was a year ago, then of course those figures which he gave us would be cut in half. If half is not the correct figure, then take any figure which is the correct one, and you will see that these huge dollar figures do not present a true picture of the position in which we find ourselves with respect to foreign trade. I used the word "foreign" advisedly, but perhaps I should have said "overseas trade with Britain", or foreign trade in so far as other countries are concerned.

I would not want anyone to think I stand here, Mr. Speaker, with a cure-all for our economic difficulties. I do not. I am not as clever as that. I am utterly unable to see my way completely through many of the difficulties which confront us. I do say however that, if we keep trading away British preferences for certain alleviations of the United States tariff, then we shall place ourselves in a position where our throats can be cut in one minute. The history of this government has been just that.

After this tariff of four dollars per thousand on lumber and four cents a pound on copper cut off our natural products, what happened? President Wilson came into office and he gave us a new tariff. This was before the Hawley-Smoot tariff. What happened after that? The United States congress immediately gave the President the right to cut that duty 50 per cent, and that was done. Later it was cut another 50 per cent on many of these natural products. Why was that done? It was done because Bennett's empire trade agreements completely shut the United States out of the British markets. Prior to that time the United States sold infinitely more overseas than did Canada. On this occasion, by the exercise of a little bit of independence, Mr. Bennett restored Canadian trade to its proper position. Prior to his coming into office our trade was completely gone.

Mr. Garson: Tell a big enough one and tell it often enough and people may believe it.

Mr. Smith (Calgary West): Someone does not think that is true. I was going to read an article which appeared in the London *Economist,* Mr. Speaker, but I know that one of my interrupters never heard of that paper so it would not do him any good. I will make one assertion, and that is that all this story about our being against provincial rights and against trade is just bunkum, as the minister knew it was when he delivered his speech last night.

Mr. E. G. McCullough (Assiniboia): At the outset, Mr. Speaker, I want to say that whenever I have the privilege of speaking in this house, I consider it a very great honour. During the time when nominations were being considered to send our member to this House of Commons, I remember I pledged myself to voice, whenever an opportunity should present itself, those principles in economics and social justice for which our group stands. I would not otherwise take up the time of this house.

Tonight I am speaking on the motion of non-confidence moved by the leader of this

party. There can be no doubt in any member's mind where the C.C.F. party stands. We stand for a planned economy. We feel that after five sessions of this twentieth parliament the government has failed to provide for the people of Canada those economic advantages which could have been provided. We have therefore moved a motion of non-confidence in this government.

I have listened attentively to the speeches made by the new leader of the Progressive Conservative party because I felt he might spark-plug that party. I also wanted to find out what sort of leadership he would give that party. My conviction is, sir, and the history of the world proves, that economic conditions throughout the world will bring forth the leadership necessary for the particular time. This was proven to be true when Hitler came to power in Germany to save the large industrial leaders and the vested interests of that country. The same thing happened in Italy. Whether or not I am correct in saying so, I feel that the vested interests of this country can do no better than to choose the leader of the official opposition for their spokesman in this House of Commons. I view with a great deal of concern some of the speeches he has made in this house because, as we all know, history shows that the democratic forms of government have been circumvented and replaced by other forms of government. As a democratic people, we do not want to see that happen in Canada.

In view of that, I was somewhat disturbed about the type of leadership the new leader of the opposition was going to give.

Mr. Graydon: They are disturbed over there, too.

Mr. McCullough (Assiniboia): I quite admit that a member of the C.C.F. group would be somewhat prejudiced in his point of view on this question. In the Ottawa *Citizen* of Wednesday, February 23, I noticed an article which I believe should be put on the record. It may or may not be correct, sir, but it reads as follows:

Back to Section 98?

In the light of Mr. George Drew's demand for revival of section 98 of the Criminal Code—a clause thoroughly discredited and discarded with the approval of all parties—it can be readily understood why the word "Tory" is increasingly being used to describe the Progressive Conservative party under his leadership. Mr. Drew is apparently determined to search out every reactionary principle and prejudice and exploit them to the limit, if by so doing he can arouse mass fear and hate and thus ride into office.

Section 98 is a relic of those hysterical times when a Tory government sent a detachment of tanks, troops and armoured cars into a western Ontario city to "maintain order" during an industrial strike. It is true that Tim Buck was jailed under that section, as Mr. Drew states. It is equally true that the communist leader was almost killed in his penitentiary cell by shots from outside the building fired by guards during a prison riot in which Buck had no part. The great body of Canadians have been under the impression that those evil days were gone for ever from this dominion.

That comfortable opinion will no longer hold good if Mr. Drew and his co-partner Mr. Duplessis have their way. For the ostensible purpose of eradicating communism they would enact oppressive laws, wide enough to be invoked against all persons and groups of whose activities they do not approve. The careers of Stalin, Tito and other successful communist government heads prove that the mere jailing of communist leaders is not sufficient to defeat communism. But such a course not only commends itself to dictator mentalities; it serves to distract attention from the unwillingness of some politicians to accept the social and economic reforms which are the real bulwarks against communism.

The Criminal Code outlaws all who conspire against the safety of the state and provides suitable penalties. There is no need for section 98 which can be used against labour, even against political opponents, by whatever government happens to be in power. Because of a few economic controls and their enforcement, Mr. Drew calls Canada a "snooper state". Yet he would not hesitate to fasten upon this country the many aspects of a police state inherent in section 98, a provision which unduly limited freedom of speech, freedom of organization and freedom of association—rights that must be jealously preserved unless Canada is to become a hunting ground of oppression for possible reactionary governments of the future. Canadians should be on guard lest, in the guise of protecting them against communism, some of their most cherished liberties are snatched away in the stampede of fear which Mr. Drew and Mr. Duplessis are attempting to incite.

I am disturbed, Mr. Speaker, at that sort of thing being said in this house. We in this group feel that if we are to have the growth of communism in this country it will be because we do not plan in Canada for the security of our people and the full employment of our workers. I do not think, therefore, it was quite proper for the leader of the opposition (Mr. Drew) to make that type of attack when, as I understand, he cited the city of Toronto, where he was as premier of Ontario, as an illustration of the growth of communism in this country. With him I, and I think all hon. members of this house, feel that there is some fear of communism, and we will do everything we can to stop it. Rather than revert to a thing like section 98, we say that it is only by properly planning the economy of the country that we can stop communism dead in its tracks and prevent its growth in this country.

I want to document what I say tonight because I think that democracy today is on test as never before. We are blessed who live in this country where we have abundance, where we have the possibility of producing as perhaps no other country in the

world can. If we fail to give our people full health security and job security—both to our workers and to our farmers—then I am sure that we too will be thrown out of power and that the democratic principles and the freedoms which we now enjoy will go by the board as they have in some other countries.

Here is the record, Mr. Speaker. On the one hand, during the war and since, unprecedented profits have been made by big interests and vested monopolies in this country. Their profits rose right through the war until in 1948 they showed the highest profits in the history of Canada. Not only since the war, but even in the depression, it would seem that big business in this country has always had its mouth at the cream spout of the economic separator while the farmers and workers have taken the skim milk. In this very debate, hon. members have risen and tried to contradict the statements which we have put on record with regard to profits made by corporations. Here in my hand I have a chart illustrating the profits of Canadian corporations for the four years, 1939, 1944, 1946 and partly for 1947. In 1939 corporate profits before taxes were $598 million; in 1944, $1,221 million; in 1946, $1,421 million; and in 1947, $1,821 million.

I want to point out that often, when profits are being shown, a true picture is not given, because the undistributed profits are not always quoted. In this case corporate profits, after taxes standing at $618 million in 1944, rose to $1,017 million in 1947. In addition to that, the undistributed corporate profits amounted to $199 million in 1939 and to $609 million in 1947. From these figures can be seen a true picture of the corporate profits of this country.

I have here statistics for the 1945 taxation year, taken from January 1 to December 31, and showing the profits of 31,807 corporations as recorded by the Department of National Revenue, amounting to $1,212,150,000. In the same year the total of salaries, wages and supplemental labour income was only $4,865 million. Often in this house hon. members give as the reason for the high cost of living the increase in the wages of our people. In this case we find that, for every $4 paid out in wages and salaries in 1945, $1 was paid out in profits to these companies. This information in the first instance is taken from Taxation Statistics, 1947, page 24; and in the second instance, from National Accounts, Income and Expenditure, 1938-1946.

While we should of course pay particular attention to our own economics and our own difficulties, I want to point out that in the United States we have a parallel of what is taking place in Canada. According to Farm Research, U.S.A., we find that there too the farmers are being told that they are to blame for the rise in prices. But here are the facts according to government official figures. The report shows the increase of profits, wages and farm income in 1942 as compared with 1939. They are as follows: net corporation profits, 281 per cent; cash farm income, 85 per cent; wages, 37 per cent. There we find that profits are being made in the United States along with the tremendous profits being made in Canada. I need not quote more figures to prove to this house that we have seen a steady rise in profits to large companies in this country. I believe the Liberal government of this country is before the bar of public opinion.

I should now like to document the contrast to show what is being done to our people. In 1947 we had a national income of $11,887 million. If we could distribute that income among our people in the country it would give to each individual $1,162. That is what they would have received in 1947. In other words, it would have provided $5,810 to the average famliy. If we planned in this country we could certainly underwrite health security and the abolition of poverty so that we would not have the conditions which exist today. When we balance these huge profits on the one hand with what the government is doing for our people on the other, I think hon. members will admit that the government has failed. It has failed under the pressure of the Progressive Conservatives to my right, because they were the loudest in their hue and cry for taking off controls in this country. Whom did it benefit? It benefited only those people who are charging high prices for the things which they produce. We saw the long line of procedure followed by the government in taking off controls. First they took the controls off the price of raw steel and permitted it to go up $5 an ingot ton; then they allowed a 12½ per cent increase on farm machinery; then they took off the subsidy on milk. And that procedure has been followed all down the line.

Between 1946 and 1947 the government found money for other things. We in this group have advocated that the old age pensioners be given a proper supplement so that they could maintain a decent standard of living.

Mr. Fraser: All other groups have advocated that.

Mr. McCullough (Assiniboia): The government failed to do that. In 1946 and 1947 we had first a subsidy to Dosco of $7,200,000.

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

Mr. McCullough (Assiniboia): If it is reasonable and sensible.

Mr. Ferguson: It is reasonable, but I do not believe the hon. member will answer it. Does the hon. member's province believe in increasing old age pensions? It has a C.C.F. government.

Mr. McCullough (Assiniboia): It certainly does.

Mr. Ferguson: Why have they not done it?

Mr. Bentley: They have done it. Do you know nothing at all?

Mr. McCullough (Assiniboia): If the hon. member would come out of the bush he would be able to find out that we have already done that. We are the only province which has initiated that sort of thing. What I am saying is that we have to do it on a national scale. We are looking after our old age pensioners in Saskatchewan. Every one of our 28,000 blind and old age pensioners are today receiving free, full health care, glasses, hospitalization and medical care.

May I return to what I was saying, Mr. Speaker. Last night we had a long speech from the Minister of National Health and Welfare (Mr. Martin). I listened to every word he said. I want to say to him that last year a lot of talk was heard about the $30 million given in the way of help to our thirteen million people throughout Canada. It is a drop in the bucket when you consider the revenue of the federal government. Here are two steel companies, Dosco and Algoma, which received $7,200,000 in one instance and $1,600,000 in the other. In these two instances they received an amount equal to one-quarter of what was provided last year for national health care for our people. I think it is a shame that this government cannot provide more for our people. Every day letters come to our office asking that something be done for our incurables. I am sure that all hon. members receive these letters. We also receive letters about giving more to our old age pensioners. I just want to show the house the kind of thing that everybody reads these days. Our people are not protected. I hold in my hand a letter which the hon. member for Yale (Mr. Jones) gave me and said I could use in the house. This is from an old age pensioner in his own riding. He gives a list of the foods which they were able to buy in 1942 and the amount of food and the price which they paid for it in 1948. When he comes down to some of the staple foods such as bacon, meat and some of the other foods, he finds that he is not able to eat them at all. I have another letter here which appeared in the Winnipeg *Tribune* of February 10, 1949. This is from an old age pensioner in the city of Winnipeg, Manitoba. He indicates what he can eat today in the way of daily food. It is as follows: for breakfast, nothing; for dinner, one egg sandwich, 15 cents, toast and coffee, 12 cents; for supper, two sandwiches, 30 cents, coffee 7 cents, the day's total, 64 cents. The article goes on to say:

> That leaves Mr. Martin nothing for clothing, medicine, smoking, laundry or small incidentals. Haircuts, at 65 cents apiece, come once every six months for Mr. Martin.
>
> "Somebody took my drinking water glass. A new one at the fifteen-cent store cost me 8 cents."
>
> As Mr. Martin told about the 8-cent purchase and his need for a suit of winter underwear, the pain in his water blue eyes showed he wasn't soliciting sympathy.

These are conditions which these people are facing. I want to impress on hon. members that the government is not doing anything. If we call this democracy, it is not good enough. We have to do better. On the one hand we read of things that are reminiscent of the thirties. Here is an article from *Woodland World*, a publication in Montreal. Mr. O. A. Buck, past president of the loggers' association, had this to say in the course of a speech:

> Lumber always has been and still is in demand. The present problem was to find markets.

It is the same old story. I hold in my hand one of the papers published in this city, the Evening *Citizen* of Monday, February 7. It contains a picture entitled "Home sweet Home", and the following:

> Mrs. Clair C. Bilow stands outside old OER bus No. 14.

Alongside the picture we find the following: "Treasury surplus is huge". The Minister of National Revenue said in the report that we have a $750 million surplus. All I can say to that is that it is a negation of justice and democracy. I hold in my hand another clipping taken from the *Citizen* which says: "Farmhouse fire fatal to three." Another one is contained in the *Globe and Mail* of Toronto of Saturday, February 19, which states: "Three children die in fire, Woodstock mother, 19, held back from shack." There is not a constituency or town in this country that does not need new houses. Because of the government policy of taking off controls we find that our old age pensioners and home-owners have suffered. We find that the farmers have suffered. We find that the veterans have suffered. The people whom we meet on the train or during the course of our business and everyday life are asking: You have done this for big business; what are you doing for us? Those are the hard facts.

We find that, since controls were taken off, the index of farm living costs has gone up 38 per cent. The general cost of living index

has gone up 33 per cent and the general index of wholesale prices by 54 per cent. It is quite clear that the farmer has not been getting his full share. The wholesale price index of farm products has gone up 27 per cent as compared with an increase of 54 per cent in the general wholesale price index. In other words, general wholesale prices have risen twice as much as wholesale farm prices.

I think this is a good time to interject the remark that the net profits of 665 of the largest Canadian corporations, after taxes, increased 64 per cent between 1945 and 1947. Those figures were obtained from the statistical summary for 1948 of the Bank of Canada, page 192. We find that during that period the cash income from the sale of farm products was up only 17 per cent, compared with an increase of 47 per cent in the profits of the largest food companies.

In order to show that these increases were not due to wages it might be noted that weekly wages and salaries in the iron and steel industry increased only nine per cent during that period while profits were up 66 per cent. Wages in the pulp and paper industry were up 23 per cent while profits increased 247 per cent.

Mr. Case: How much have wages increased at the box factory in Prince Albert?

Mr. McCullough (Assiniboia): The records show that when we took over the box factory in Saskatchewan the employees were getting 11 cents per hour. Today they are some of the best paid workers in the province.

An hon. Member: You are not running it now.

Mr. McCullough (Assiniboia): We are running it and we are making a profit for the people of Saskatchewan.

Mr. Ferguson: How about the shoe factory?

Mr. Matthews (Kootenay East): Does the hon. member want to buy a pair of shoes? That is a good place to get them.

An hon. Member: They do not make them that big.

Mr. McCullough (Assiniboia): It is quite easy to see who are ready to fight for the interests of big business. I want to say that we in this group are going to fight the black shirts, the white shirts and the stuffed shirts. I have tried to make a simple plea for the common people, particularly for those people who are inarticulate, who have no chance to come to this House of Commons to fight for themselves.

Take the old age pensioners, for instance. After a lot of prodding by hon. members in this house, particularly members of this group, the federal government finally boosted the old age pension by $5 per month, but in terms of real purchasing power today it stands at only $22.50. Surely it is not asking too much to ask this government to do something about that in the immediate future. On February 16 a return was tabled in answer to a question asked by myself as follows:

> What is the estimated cost to the dominion treasury for an old age pension plan of $50 per month at 65 years of age; (a) with a means test; (b) without a means test?

The reply to the first question was that the dominion government's share, which on the present basis would be 75 per cent, would amount to $174,400,000. Surely it is not asking too much to ask that a plan such as that be instituted, especially when we find that this year there will be a surplus of $750 million. I plead with the government to institute such a program, not only for our aged people but along general lines.

We in the C.C.F. recognize that you cannot plan for one phase of our economy without planning for it all. You cannot protect the farmer if you are not going to protect the worker. That is why we are trying to fight for those people. Hon. members to my right indicate in almost every speech they make that they are ready to protect big business. This reminds me of the story of the elephant who danced around in the chicken-coop and thought it was wonderful. It really was fine for the elephant, but it was tough on the chickens. The same thing applies to our people.

I am not going to take up much more time, but I did think that the problems we are facing today are bigger than political issues or political parties. If you asked any hon. member of this house I think he would say that Canada is a land worth fighting for, a land worth going all-out for. It is recognized that war may come at any time and it behooves us in this house to think seriously about these things. We must override political differences in order to plan in such a way that real democracy will work. If the bickerings and foolishness go on I am sure that, while we are fighting, communism will come in through the back door. You are not going to stop it unless you can offer a better ideology than the communists offer.

This is not the time to fool; we should be as serious as possible. We should plan our economy so that we could underwrite job security. By job security I mean that there would be actually more jobs than we have workers. That is what I consider to be full employment. The dominion government

should take control of those industries which would be necessary to provide that full employment.

The government should take over those industries which manufacture armaments and which carry on preparations for war. I refer to the large steel corporations and other corporations that can make profits out of war or even out of the fear of war. Those corporations should be owned and controlled by the people. But that is not the picture that has developed since 1945. We in this group have fought against the policy of turning back to private industry those crown corporations which were built up with the money of the taxpayers. I need to name only a few.

There was the Consolidated Smelting plant at Calgary which cost the Canadian taxpayers $18 million and which was handed back for 25 cents on the dollar. There was the Research Enterprise building No. 14 which was turned back to the Corning Glass Company, a company which was indicted in the United States. Here we have the picture of the government once again permitting the entrenchment of big business and vested interests so that they can lead us down the path to another war.

The government has set up the Combines Investigation Act, now under the administration of Mr. McGregor, in order to stop the growth of monopoly in this country. It was recognized by every one that there was a danger from cartelization and monopolies in this country. I have here four publications arising from the work of Mr. McGregor and his associates. In 1945 he published a report entitled "Canada and International Cartels". I want to read one or two of the recommendations of the commissioner. There are some ten recommendations in all. Mr. McGregor has this to say in paragraph No. 2 of his recommendations and conclusions:

> Those examples illustrate the power of cartels to eliminate competition and to control production and distribution in wide areas of trade. The allocation of markets through restrictive arrangements made by private interested parties impinges on government authority over foreign trade and may nullify national trade policies developed to serve wider public interests. Government policies to encourage either imports or exports may prove ineffective if private barriers to such trade are erected by cartels. The reservation of the domestic market to particular producers may be as effective as a prohibitory tariff in barring imports. The allocation of import or export quotas by cartel agreement subjects foreign trade to quantitative limitation although such control may run counter to public policy. Ways must be found to prevent private business organized as cartels from supplanting government in the establishment of such commercial policies.

In paragraph No. 4 he has this to say:

> The post-war period will require flexibility in industrial organization and operations, rather than restrictive arrangements designed to maintain the status quo. Industrial progress will be assisted by government policies directed to the elimination of restrictions on trade and by positive measures to promote expansion of trade and thus prevent the development of demoralized markets.

Today our farmers are facing a decline in their markets. I have a clipping from the Ottawa *Citizen* of today in which Sir Stafford Cripps intimates that his government will have to cut down on the bacon and eggs imported from Canada. We find that in the United States also the agricultural market is slipping. I think it behooves us to plan for an international agreement, and to break cartelization in the industrial field so that we may have a free exchange of trade.

I advocate among other things, Mr. Speaker, that the government plan a national marketing act for our farmers, and secondly that they institute long-term agreements with other countries on the block trading barter basis if currency difficulties are in the way so that we may have the free flow of Canadian food products to the hungry countries abroad, and in exchange bring back the things which we need in Canada.

I think we have to do something for our veterans. We either have to roll back prices or we have to increase their allowances so that they can rehabilitate themselves. Of the 90,000 student veterans, about 42,000 have either finished university, or through financial difficulties have had to leave university. There are many black spots that have to be cleared away. I am very sorry that the government has failed to remove them, because if we go down we all go down together. Those of us in our little orbit of mankind must gird ourselves and be strong. In the words of the poet:

> We are not here to play, to dream, to drift;
> We have hard work to do and loads to lift.
> Fear not the struggle, 'tis God's gift.
> Be strong.

Mr. Patrick H. Ashby (Edmonton East): Mr. Speaker, as I was walking down to the chamber this evening an hon. member reminded me that I have spoken on hogs, I have also spoken on sheep, and in fact I have even mentioned turkeys. "But," he said to me, "why not mention horses?" It is a very simple matter for me to mention any kind of living thing because I have not spent my life with artificial things such as pens, pencils, paper and figures. I have been working during the past twenty-five or thirty years with germ cells, with chromosomes and determiners, with living things, with life itself. I have never worked for God, as some of these false preachers claim they are, but I have worked along with God. In fact, I have hobnobbed with Him for some time, figuratively speaking,

of course. I said to God one day: "Do you mind my taking your place for a while?" "No, no", He said, "go ahead; you will learn a few things." So I climbed upon a mound, the usual one outside the barn door, and when my feet began to get warm I said, "let there be life", and lo and behold there was life. I could say, "there shall be no life", and there was none; for I determined which animals should mate. I determined whether an animal should breed or whether it should not reproduce itself. I determined whether it should live, whether it should die, or whether it should be enslaved.

When a human being begins to take the place of God upon earth that human being has got to be God Himself. I shall illustrate what I mean. Unfortunately I have to get up early in the morning, and one morning I was waiting for the bus about six o'clock. Shortly after six o'clock, the early morning bus passes the street where I live. It is necessary that I come down here early in the morning because some short-sighted, long-legged, broad-bottomed, narrow-minded bureaucrat neglected to supply members of parliament, the representatives of the people, with sufficient office space. The early morning is the only time I can efficiently do my work undisturbed. We are crowded together in a small room, so crowded that if I lean back in my chair I strike the back of the chair occupied by the other member. It is the most disgraceful condition that exists in this parliament today. I have seen these bureaucrats, with their private secretaries, occupying sumptuous offices. Have I a private secretary? No, I have not. I have done all my own secretarial work, including typing, for the past two and a half years.

I was standing there waiting for the bus. Daylight was just dawning, and thinking of home, my sweetheart—who is my wife—and my children, I heard a slight rustling beside me. I looked down and it was an old tomcat wearily wending his way home. It stopped as it got halfway across the sidewalk, looked up at me, and I will swear it winked at me. It then crossed the road very slowly and disappeared among the garbage cans on its way home, where it would be mauled by the kids. Two slaves were the next form of life that came along. I looked at the face of the first one and found it entirely lacking in expression. I looked at the face of the second one and found it had no expression either. The first was pulling a wagon; the second was on the seat, holding the reins and driving the first. As I said before, I have dealt with life, with living things, and I recognize expressions on animal faces that would not be recognized by those not accustomed to looking for them. If one wants to know what sort of master a slave has, look at the faces of the animals under his control. I have made these tests, and I would like hon. members to make similar tests in any town or city of any Christian country on the face of this earth. You will find that the expression on the faces of young people is hopeful. When they reach the age of eighteen or twenty that expression of hope begins to disappear, and by the time they are forty or forty-five you will not find more than one out of every fifteen people on the streets who smile. The reason is that Christians are being enslaved today.

Unfortunately my time is going very rapidly; if someone would only plug the hands of that clock I would be able to deal with these matters more fully, because they are very important. There is such a thing as what I call natural wisdom. Let me put it this way. The result of God's work is perfection. Did God make living things without endowing them with wisdom? Of course not. When we look at horses we think they are dumb brutes. I remember my neighbour, a poor elderly woman, coming to our house with both eyes blackened, her nose broken and her teeth knocked out. I did not ask what her husband had done to her because I knew he had died some time before and that could not be his fault; but I asked, what in the world had happened to her. She told me that she was looking out the kitchen window while washing the dishes, and saw poor old Nellie, the old mare, standing by the well waiting for a drink. So she dried her hands on her apron and ran out to give the horse a drink of water. No sooner did she get near the animal than it turned and kicked her squarely in the face. Many people would say that horse was vicious, but the fact is that the horse was not to blame because the natural wisdom with which it had been endowed originally had been distorted and rendered dormant, shall we say, by restricting its freedom. It was a slave. When you have an animal like that the only solution is to give it freedom. Crime is a result of slavery.

Now let me give you an illustration of what I mean by natural wisdom. If any hon. member of this house would volunteer for an experiment I will guarantee he would not be able to equal the humble horse when it comes to natural wisdom, for the human mind has been distorted. Take any volunteer, blindfold him and take him a given distance away, in a direction and to an area of which he has no knowledge whatever. He does not know where he is going, nor how far. Then take the blindfold off, if you like; put him in a box car; close the doors; transport him in any direction, north, south, east or west, for a given length of time. He does not know how long he has been traveling, nor at what

speed nor in what direction. Take him out of the box car and in another direction for a predetermined distance. Then after a couple of years, without contact with other human beings who might give him instructions, tell him to walk directly to the point from which he started. I do not think a human being alive today could possibly do that; yet I can show you horses that have done it, some of them travelling a distance of up to sixty-five miles, covering an area over which they had never traveled before. That is what I call natural wisdom.

Our troubles today, Mr. Speaker, are due to the fact that the natural wisdom with which we were endowed by God is being interfered with by human beings who deal in false ideas. When our children go to school, to college and university, if they remain there long enough they will be rendered incapable of thinking correctly and sanely. What we call universities are really nothing but elaborate barber schools or training factories, where our youths no longer receive an education but are trained for various professions, and the false and artificial instruction they receive renders the individual incapable of thinking naturally and sanely. Let me give you an illustration of what I mean. I have in my hand a copy of *Industry*, the official organ of the Canadian Manufacturers Association. I think I know the man who has been writing these articles; I believe I have been in touch with him, and if he keeps it up, one of these days I am going to name that individual because the day is rapidly approaching when we shall have to identify ourselves, just as we do in this parliament. When a vote is called and the bell rings we stand and identify ourselves for or against whatever it may be. I shall have to read this. It is only three or four short paragraphs, and I will hurry through it. The title is, "Money on Trees" and it reads:

Windfalls do occur. As a matter of fact, it's not so long ago that a gentleman in an Ontario industrial centre received the pleasant news that he had won the tidy sum of $34,000 simply because he held a sweepstakes ticket on the winner of the Manchester handicap.

All that happened there, of course, was that one man gained what other men lost.

But the best brains of this and any age still persist that there is no substitute for hard work—

I guarantee that this man has avoided hard work. If he believed in it he would be working on a farm or in a mine or factory; he would be doing hard work. The fact is that he has learned a way of avoiding hard work.

—in the task of getting on in the world, while practically every father has at some time or another come up with the none too original pronouncement to his children that money doesn't grow on trees.

[Mr. Ashby.]

Unfortunately, there is more than a fair share of the globe's population suffering from the delusion that money does grow on trees.

I want all members to pay particular attention to this part because it is very important.

Witness the state of Oregon, which held an autumn referendum on a scheme to pay a pension of $50 a month to all men of 65 and over and the same amount to all women of 60 and over, even without the "means" test. The Oregonians not only approved the plan with a whacking majority, but on the same ballot plumped for higher income tax exemptions.

The people of Oregon were perfectly right. If the people of Oregon would discharge from office every individual who opposes this demand, I would give these individuals thirty days to do it and, if they did not, I would kick out the whole lot of them. It is possible to give this money to the people, as I will show you within the next few minutes.

This man says further:

Came the dawn and a study of practical details.

This man is deliberately lying when he talks about the practical details, for these are impractical, artificial details. This man's mind is polluted, as I will show you before I am through.

Somebody with a flair for mathematics—

That makes me think that if we could take these bureaucrats with a flair for mathematics and place them in an institution where they would be provided with an abundance of paper and pencils, as well as boys who would sharpen pencils for them, they could do all their estimating and planning there. When these plans and estimates were finished, they could be rushed into the next room where another group could tear them apart. This process could be continued until they all died and the world would be far better off. We do not need them.

Somebody with a flair for mathematics discovered to his and the state government's horror, that in 1949 there would be more than 175,000 male and female Oregonians eligible for the pension and that the cost to the state would be in excess of $100 million a year.

That also is a lie because it would not cost the state of Oregon one dollar. Think of that for just a moment. I know there is laughter, but I hope before the hon. members who are here die they will recognize the truth of that statement. The greatest mind in the world today is that possessed by a man now living whose name is Major C. H. Douglas. This man has given us a law which I shall quote to you so it will be on the record. "The true cost of production is the consumption of all production over a given period of time." This law should be written in capital letters and people should read it until they memorize it.

I remember standing in this house some two or three years ago, when I said the cost

of this chair was the chair. I am hesitating so my words will be fully appreciated. The price may have been $50 or $100, but the cost is this chair. True, it is not all of the cost, but most of the cost. The cost of production is what is consumed, as well as what is lost, of course, in the form of sawdust. Instead of a tree we have the chair. We still have the chair; it has not been consumed. If we burn the chair, then it is consumed and we have exchanged being able to sit down in the chair for the heat obtained from it. The cost of production is what is consumed.

If you go outside of this building and ask anyone you meet what he thinks this building cost, you will be told it must have cost hundreds of millions of dollars. What is a dollar? I asked this question last year and I received some of the most stupid, imbecile answers it is possible for the human mind to conceive. I received these answers from the official bureaucrats who are employed with the money of which we are robbing the people. I will read one of these answers to you. I asked these questions: Who owns this paper money? Who owns this metal money? Who owns the true dollars created by the banks? In my hand I hold the official answer I received to those questions, and I will read it to you:

> This money is owned by the particular individuals, firms and corporations which have it in their possession.

Oh, rubbish! Let us see if this is true. Last year I copied from the Ottawa *Journal* of December 18, I think it was, something one of the magistrates had to say. Many of these magistrates and judges are almost as imbecile as these stupid bureaucrats. I am going to begin to mention names. This man is named Strike. Had I been there, I would have said, "Strike, you're out". Yes, sir, he missed the ball. According to the newspaper, this is what he said when sentencing some men:

> One finds it a little difficult to understand how men like the two accused would commit such an offence.

These men were trying to avoid paying income taxes. Perhaps I had better read this article first and leave my remarks until later. The more one studies the works of Major Douglas, the more easily one can pick up any statement made by any Christian and find that his mind has been distorted; he cannot reason properly. In fact, I have found it difficult to do so myself. It is a tremendous relief for me to be able to recognize at least some truths today. Some years ago, I was just as dumb as anyone, for I also came under the influence of these false teachers.

Magistrate Strike goes on to say:

> It would appear that you have a good reputation in the community, that you were good employers and that you were considered to be reasonably good citizens.

My thought at that point is, why not leave them alone then? I shall continue to read the statement.

> It is difficult to understand how you would stoop to commit such an offence as this. If it had not been for this tax investigation, you and your company would have had in your possession (money) the property of the treasury of Canada.

Let me illustrate, in this way, what the magistrate said. I am on my farm and someone comes to ask me for a dozen eggs. I say: "Those eggs do not belong to me, they belong to the hen-house", or the sheep belong to the sheep-shed or the cattle belong to the barn; all of this belongs to the farm, not to me. No one but an individual can own anything. These buildings own nothing. The only way that anything can possibly be owned is by individuals. In this case those in control of the treasury department are the ones that own the money. In other words, this man was a slave.

What is a slave? A slave is a person who has no property of his own and who is forced to toil for those who are his masters. What then is a free man? A free man is one who owns property which no man may take from him without his full will and consent. What right have these tax collectors to enter any home in this country or to take one single cent from any individual? They have no right, and they could never do it except by deceit and fraud. Instead of going as individuals and holding a revolver at the heads of citizens and demanding their money, they wave an order in council sneaked around parliament and say: this is the law; you are forced to hand over your hard-earned money.

Let me tell hon. members this. Merely because an individual is paid by the officials of a department to rob and plunder, and to commit these crimes, is no excuse, and will be no excuse in the hereafter. May I point out that each individual will, and should be, held responsible for his own actions. Yet these bureaucrats will tell you that it is the institution that is to blame, that it is the farm that is to blame, that it is the barns that are to blame. It is this, that and the other thing that is to blame; it is never "we are to blame." There is a key that will unlock the doors to freedom, security and peace on this earth, and this key we might call individual or personal responsibility, where each individual is held responsible for his own actions, which he cannot shirk and place upon any institution.

I have read about half of the quotation. I must get back to this Money on Trees—I forgot all about it—and finish this last paragraph. I had reached the point where these figure experts estimated that the cost would be $100 million a year. This man continues:

This astronomical figure turned out to be three times the state's budget for all purposes. Not only had the get-rich-quick voters ignored the fact that such a sum could not materialize except through ruinous taxes,—

Which is another lie, for taxes are not the only method of obtaining revenue.

—but they have voted for a tax reduction. All in all, the Oregon legislature is in a pretty fair pickle.

That is what he says. I would straighten him out. Let them hire me and give me the authority, and I will see that the Oregonians get their $50 a month. In fact, if the members of this house want our people to live decently, let them put me in charge and give me the authority. That is all I need. I will guarantee that every human being in Canada sixty years of age and over will obtain $50 a month, and I will do it without taxation. In fact, I will gradually abolish taxation altogether for revenue purposes as I will show before I am through.

I want to point out that the writer of this article was trained by these institutions of training to think in terms of what we call money economics—which is an unreal, artificial economics—instead of real, physical economics. This man does not estimate the amount of food, clothing or other essential needs of the people and then determine if we can supply these requirements.

Mr. Blackmore: In Oregon.

Mr. Ashby: In the state of Oregon, in Canada, or anywhere you like. He merely deals in artificial things, not in realities. In *Industry* for February, which I received in the mail today, I find a similar article. But this one is not nearly as bad. Since I have been in contact with them, they are cutting down a little bit. They are getting wise, because I challenge them. Two thousand years ago Christ said, seek ye the truth. He did not say, get Pat Ashby to seek it for you.

I will hurry through this latter portion although it is important. It will be noticed by all that our greatest industrialists—in fact, our greatest citizens, our real citizens—have grown up with an industry. I refer to Edison, Henry Ford and men of that type—great industrialists, inventors and so forth. They have all started on a farm or somewhere in a small village, and have gone to a small school of not more than twenty-five to thirty pupils. Some of us praise Henry Ford as a great industrialist, and others praise other great men. But really behind those men were good mothers, in the first place.

Some hon. Members: Hear, hear.

Mr. Ashby: It is all right to laugh. But I know from experience. I cannot help saying this, because I have such a wonderful wife myself. It does not matter what happens to your children, we men always say to them: you had better go to mother; mother knows best. I mention that for this reason. There perhaps lies the solution to the future problems of this country. But I must hustle along. I am constantly watching that clock. I think I shall have to let this go. It will take too much time. I will just quote rapidly:

The teaching of economics—

What kind of economics? Those unreal, artificial economics or real economics?

—and related subjects in American schools—

And Canadian schools are included.

—and especially in colleges and universities—has a profound influence on the economic life of the nation.

That is true. Our manufacturers are therefore trying to get young men who intend to study economics to work in a factory, to start at the bottom and grow up in it and use real things in order to obtain a contact with realities instead of specializing in all this artificial stuff.

Now I should like to illustrate hurriedly the work of some of these bureaucrats, the uselessness and stupidity of some of these poor imbeciles, because I cannot think of any other name to call them. Hon. members know that in the fall of the year for generations it has been customary for the farmer to butcher a hog or two for himself. A few days before he is ready to butcher the hog, he will gather up his equipment, consisting of a barrel or tank to hold the hot water, his implement to scrape the hair off the hog, basins, pails and all the rest of it. But when they go to get the knives from the kitchen the wife will say sometimes, "I wish you would use something else instead of my good knives". Therefore private enterprise, free enterprise as we call it, provides for everything. It does not matter what it may be. Take traveling equipment, for instance. I bought some beautiful bags for my wife—I mean traveling bags. They were really sturdy suitcases which were made by Cecil Sprigings and Company Limited. The price of these suitcases was between $60 and $70. I discovered that if this firm were free of all these taxes imposed on them and these controls were removed, they could put these suitcases on the market actually better than they are—I could not see how they could

become any better—for half that price, or somewhere around $28. Individuals engaged in private enterprise say, "We will provide you with tools for every purpose, even to scrape the hair off the hogs. They manufacture a cheap little instrument. It has merely a wooden handle and a small metal disc on it; that is all. The price is only a few cents. Free enterprise, being what it is, plans months ahead. In July this particular storekeeper sent away and ordered five or six dozen cheap hog scrapers in order to accommodate his customers. I called at the store because one of my boys said, "When you are in town, dad, get a hog scraper; ours is lost. We want to butcher a hog". So I called in at the store and the gentleman came to me immediately and politely asked me what he could do for me. He asked me if he could serve me. I said: "I would like a hog scraper". Anyone would have thought that I had hit him square in the face. "Hog scraper!" he yelled at me, and he turned red in the face. "Don't talk to me about hog scrapers". I said: "I am Pat Ashby, a highfalutin' member of parliament; don't shout at me like that". He said: "You, a member of parliament, allowing these bureaucrats to carry on in this way. Look at this", he said, and he thrust into my hand a whole bundle of papers—and I hold them in my hand now. He ordered those hog scrapers in July but on August 25 he received a letter from these bureaucrats. He had written to them decently, for he said: "Dear Sir", and signed his name: "Yours truly", and so on. But these bureaucrats, these dictatorial scoundrels! I would soon put them all where they belong. If the people of Canada receive from any government department officials letters of any kind not signed "your obedient servant", they should return the letters without postage to the place from which they came. If enough people will do that these officials will learn who is the authority here in Canada and they will sign these letters as they should. What did this man say? He said: "Gentlemen!"

I hope, Mr. Speaker, that you will give me a few more minutes because I have had to wait so many times until the laughter has subsided before I could continue. The letter goes on:

> This will acknowledge your application dated August 17 to import the following equipment.

The man lists them under three columns as follows: one, "supplier, Edmonton Butchers' and Packers' Supplies." That is a wholesale and retail store on Jasper avenue, Edmonton. But why tell him that? He knows that because he sent for them. In the second column appears the following: "six dozen hog scrapers"—the store keeper knew what he ordered—and under column three, "end users", those who scrape the hair off hogs. Can you imagine that? The letter continues:

> It is noted that the end users are stated to be butchers . . . No letter of essentiality from the end users has been furnished, as required as per instructions on the reverse side of the application under paragraph three.

Mr. Speaker: I am sorry to interrupt the hon. member but his time has expired.

Mr. Ashby: Not yet, sir. I move the adjournment of the debate.

Mr. Speaker: Has the hon. member unanimous consent to continue?

Some hon. Members: No.

Mr. Knowles: Ten thirty.

Mr. Speaker: The hon. member has not unanimous consent.

On motion of Mr. Ashby the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Graydon: May I ask the acting leader of the government what the business is for tomorrow?

Mr. Fournier (Hull): Tomorrow we shall continue this debate.

At 10.30 p.m. the house adjourned, without question put, pursuant to the order of the house passed on February 22, 1949.

HOUSE OF COMMONS

Friday, February 25, 1949

The house met at three o'clock.

UNEMPLOYMENT

PUBLIC WORKS—REFERENCE TO ANSWER TO QUESTION ON FEBRUARY 23

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I wish to direct a question to the Minister of Reconstruction and Supply. On Wednesday last, answers were tabled to a question I had asked about unemployment and public works. Part 3 of the question—it is reported at page 818 of *Hansard*—was as follows:

What is the estimated number of workers who could be employed on such projects within (a) one month; (b) six months; (c) one year?

The minister gave the estimated number who could be employed at the site itself as 17,000 skilled and unskilled workers in six months, and only 5,000 in one year. Since the second figure is so much smaller than the first, I should like to ask the minister if it was a typographical error, or if the government's program actually calls for fewer jobs in one year than in six months, which I cannot believe.

Hon. Robert H. Winters (Minister of Reconstruction and Supply): I wish to thank the hon. member for giving me notice of his question. The figures in part 3(a) of the answer were compiled for statistical purposes on the basis that all contracts would be let at the same time, but in actual practice it is expected that they will be staggered or spaced as the economy requires.

[*Later:*]

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): The Minister of Reconstruction and Supply has been out of the chamber; I thought he was returning to his seat, and I wanted to ask a supplementary question. I shall put the question now, in any event. I have totalled the figures given in answer to my question about unemployment, and I get this result: skilled workers, 14,500; unskilled, 10,000; off-the-site, 15,700, totalling 40,200. This figure seems to be wrong, having in mind the statement attributed to the Minister of Fisheries (Mr. Mayhew) at Vancouver. The minister is reported to have said there were 50,000 unemployed in the Vancouver area alone.

Right Hon. C. D. Howe (Minister of Trade and Commerce): There is something wrong with the answer.

PASSPORTS

QUESTION AS TO RENEWALS BY ISSUE OF NEW PASSPORTS AFTER JANUARY 1

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): On February 11, as reported at page 470 of *Hansard,* I asked a question of the Secretary of State for External Affairs, and he promised to give a further answer. Is the minister ready to do so today?

Hon. L. B. Pearson (Secretary of State for External Affairs): I should like to thank the hon. member for Peterborough West for his patience in waiting for the further information which I am now in a position to give him.

The question asked on February 11 was about the renewal of the old-type Canadian passports. I can now say that instructions have been given to passport issuing officers that persons who apply for renewal of the old-type Canadian passports, issued prior to January 1, 1947, which are now in some respects inappropriate because of the inadequate description of national status, may now be issued with standard Canadian citizen passports for the renewal fee, which is $2. These new passports will expire ten years from the dates of issue of the passports they replace.

It is true that previously there had been a requirement that new passports would have to be issued to those who applied for renewals of the old ones after a certain date, and there have been several cases in which new passports were issued and paid for, in lieu of renewals. To take care of those applicants we are providing that refunds of $3, the difference between the renewal fee and the new passport fee, shall be made to them. The officers of the department are taking steps to advise persons concerned of the availability of these refunds.

It has also been arranged that persons holding the old-type passports may have

them renewed without charge for short periods when this is necessary to avoid hardships which might be caused by delays incidental to issuance of new passports.

The hon. member also inquired at that time if the Department of External Affairs had issued instructions to post offices, and other places where passport applications and renewal forms are issued, that the old-type passports were not available after January 1. Written advice of the change was given to a large number of travel agencies, railway and steamship offices, banks and law firms with whom the passport officials of the department are accustomed to deal, but similar advice was not sent to post offices.

The hon. member will recall that the standing committee on external affairs recommended on July 31, 1946, placing application forms for issue and renewal of passports in all appropriate government offices, including post offices, in all centres of population of one thousand or more. Following this, arrangements were made to place such forms in staff and semi-staff post offices, which comprise some two hundred post offices. The Post Office Department agreed that clerks in these offices might furnish the forms to the public upon demand, but expressed the view that such clerks should not be required to provide information as to the completion of the forms or the regulations pertaining to the issuance of passports. For this reason, post offices were not advised of the change in our passport regulations.

FREE TRADE

CANADA-UNITED STATES—REPORTED STATEMENT BY PREMIER OF PRINCE EDWARD ISLAND

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I wish to direct a question either to the Prime Minister or to the Minister of Trade and Commerce. In view of the statement made by the premier of Prince Edward Island in the legislature of that province the night before last, and reported in the press, that if Canada so desires she may have free trade with the United States, will the minister indicate whether there is any foundation for this statement, and whether the government is making any move in that direction?

Right Hon. L. S. St. Laurent (Prime Minister): I would not be in a position to say whether there is any foundation for it. There is no foundation known to me.

Mr. T. L. Church (Broadview): I wanted to direct a question to the Minister of Agriculture, but I do not see him in his seat at the moment. I notice that the premier of Prince Edward Island made an announcement a day or so ago in Charlottetown to the effect that after the next election we would have complete free trade with the United States. I wonder if the minister is prepared to make a statement on this point.

Right Hon. J. G. Gardiner (Minister of Agriculture): He will have my support on it.

Mr. Church: Free trade with the United States would make a Lazarus out of the country that Laurier professed to have made a nation.

INCOME TAX

TAX YEAR TO WHICH ADDITIONAL WHEAT PAYMENTS TO BE APPLICABLE

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I wish to direct a question to the Minister of National Revenue, arising out of the statement yesterday by the Minister of Trade and Commerce to the effect that, out of the moneys of the farmers held by the wheat board, 20 cents a bushel will be payable on all crops harvested from 1945 to 1948, and that these payments will be made shortly. Will the farmers receiving this 20 cents a bushel have to regard the amount they receive as income for 1949, irrespective of the year in which the wheat was grown and sold to the wheat board?

Hon. J. J. McCann (Minister of National Revenue): The answer is yes; it will be regarded as income for the year in which the payment is made.

Mr. Diefenbaker: Then the government will get back most of it in taxes.

Mr. Wright: May I ask a supplementary question? In 1946, when the five-year contract was entered into, the government gave a definite undertaking that the participation certificates would be chargeable back to the year in which the crop was grown and the income was earned. Why are the interim payments not on the same basis?

Mr. McCann: In view of the varying opinions in the matter, I shall make a statement on Monday as to the exact position. The answer I gave to the member for Lake Centre represented the decision as I understood it.

Mr. Quelch: I should like to ask a question supplementary to those asked by the members for Lake Centre and Melfort. It has been the practice for the farmer to refer back his wheat board payment to the year in which the wheat was grown. Will he be permitted to continue to do that?

Mr. McCann: I shall include the answer to that question in Monday's statement.

BELL TELEPHONE COMPANY

INQUIRY AS TO APPLICATION FOR RATE INCREASES

On the orders of the day:

Mr. R. R. Knight (Saskatoon City): Will the Minister of Transport say whether the Bell Telephone Company has recently applied to the board of transport commissioners for permission to increase its rates?

Hon. Lionel Chevrier (Minister of Transport): The answer is no.

WHEAT

INQUIRY AS TO ADDITIONAL PAYMENTS ON EASTERN SOFT WHEAT

On the orders of the day:

Mr. J. A. Charlton (Brant): In view of the statement yesterday by the Minister of Trade and Commerce that the initial price paid western wheat producers will be increased to $1.75 per bushel for the entire period from August 1, 1945 to July 31, 1950, I should like to ask whether eastern farmers will receive any further payments for wheat sold between September, 1944, and June 18, 1948, during which time eastern soft wheat was handled by the wheat board.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Eastern soft wheat was never pooled. An appropriate price was set for the wheat, and full settlement has been paid to the grower for each separate crop year.

SHARE OF SMALL FLOUR MILLS IN EXPORT TRADE IN WHEAT FLOUR

On the orders of the day:

Mr. J. W. Burton (Humboldt): Will the Minister of Trade and Commerce indicate to the house what provision his department has made to ensure to the small flour mills a fair share of the export trade in flour?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The Minister of Trade and Commerce, Mr. Speaker, has no control over the distribution of the export trade in wheat flour. Each flour mill sells its product in the domestic market or the foreign market as it sees fit. It is a matter of individual enterprise.

CANADIAN PRODUCTION

QUESTION AS TO SUPPLIES—SURPLUS, ADEQUATE AND SHORT

On the orders of the day:

Mr. J. H. Blackmore (Lethbridge): Will the Minister of Trade and Commerce at an early date make a statement to the house setting forth the Canadian products that are now in surplus supply, adequate supply and short supply in Canada?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I shall endeavour to do so.

LABOUR CONDITIONS

FEDERAL PUBLIC BUILDINGS—WOMEN CLEANERS —QUESTION AS TO WAGE INCREASES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I want to direct a question to the Minister of Public Works with regard to a wage increase for women cleaners in federal public buildings. Is it not possible for a change to be made, in the case of these employees, from prevailing rates to a status which will make it possible for them to receive increases at the same time as other government employees, instead of always being a year or two behind?

Hon. Alphonse Fournier (Minister of Public Works): At the outset I may say that many hon. members have brought this question to the attention of the Minister of Public Works. The last one was the senior member for Halifax (Mr. Isnor), and not long ago it was raised by the two hon. members for Ottawa. The first question is whether consideration is being given to a wage increase for women cleaners. Last April their wages were increased to a rate of 64 cents per hour.

Mr. Knowles: In Winnipeg their rate is 50 cents per hour.

Mr. Fournier (Hull): That may be; I am speaking of the rates paid in Ottawa. There is pending before the Department of Labour another application for revision. I understand the procedure is for the Department of Public Works to submit to the Department of Labour a request for the revision of these salaries, to come into effect April 1. The rate is not the same all over the country; they are paid according to the prevailing rates in their localities. Actually we have made an application to the Department of Labour for revision.

As to the second question, that is a matter of government policy which has not been considered. If it is considered and a decision reached, I shall inform the house.

HOUSE OF COMMONS—DAILY RATE EMPLOYEES— QUESTION OF INCREASED RATES OF PAY

Mr. Stanley Knowles (Winnipeg North Centre): Before the orders of the day are proceeded with, I rise on a question of privilege. May I express the hope that the announcement made to this house on March 24, 1948, concerning wage and pay increases for

employees of this House of Commons, may yet be implemented in full with respect to the daily rate employees.

Mr. Speaker: Order. The hon. member knows that this is not a question of privilege. The purpose of a question of privilege is to protect the privileges of the members of the House of Commons.

Mr. Knowles: But, Mr. Speaker—

Some hon. Members: Order.

Mr. Knowles: I worded my question in that fashion because I know it is not a question to be directed to the government. I merely express the hope that Your Honour will make a statement within a few days.

VEGETABLE OILS

QUESTION AS TO REMOVAL OF RESTRICTIONS

On the orders of the day:

Mr. L. E. Cardiff (Huron North): I am told that last week all restrictions on vegetable oils in Canada were removed by order in council. Would the Minister of Trade and Commerce care to make a statement as to why this was made necessary?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Vegetable oils were formerly under international allocation. During a period of short supply an international board fixed the allocation for each country. To carry out our obligations to the international board it was necessary to regulate the export and import of vegetable oils. About two or three weeks ago the allocation of vegetable oils was discontinued. Parliament has not given the Department of Trade and Commerce authority to regulate imports or exports, except in order to carry out an international agreement or to carry out a support price policy of this government. Since our legal authority lapsed with the discontinuance of allocation of oils and fats, we have lifted export and import regulations, as we were bound to do.

TRANS-CANADA HIGHWAY

COLLECTION OF TOLLS AT ENTRANCE TO PARK AREA —USE OF PARK HIGHWAY BY COMMERCIAL VEHICLES

On the orders of the day:

Mr. J. H. Matthews (Kootenay East): I should like to direct a question to the Minister of Mines and Resources. In the event of the Kicking Horse pass route being chosen for the trans-Canada highway, will the collection of tolls at the east and west entrances to the park be discontinued? Will commercial vehicles be permitted to use this highway?

Hon. J. A. MacKinnon (Minister of Mines and Resources): I did not hear the first part of the question, Mr. Speaker. May I look at the question in *Hansard* and answer it later?

DIVORCE

QUESTION AS TO ESTABLISHMENT OF FEDERAL COURT

On the orders of the day:

Mr. W. Garfield Case (Grey North): Will the Prime Minister indicate what progress, if any, has been made towards the establishment of a national divorce court for the benefit of the one province which has none?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker, I would not care to go beyond saying that the government does not intend to introduce any legislation with respect to divorce.

BERLIN

QUESTION AS TO CANADA'S PARTICIPATION IN AIRLIFT

On the orders of the day:

Mr. T. L. Church (Broadview): About two weeks ago I asked the Secretary of State for External Affairs whether Canada would join Great Britain, the United States and Australia in the airlift into Berlin. Has he any statement to make about it?

Hon. L. B. Pearson (Secretary of State for External Affairs): I remember that the hon. member did ask that question, Mr. Speaker. This question of the Berlin airlift is now before the United Nations for consideration. Efforts are being made by the security council to arrive at a solution of the problem by way of raising the blockade of Berlin. This would make the airlift unnecessary. I had hoped the results of those discussions before the security council would be available before I answered that question, so that the answer would be more illuminating. The report of the security council subcommittee to the full security council has just been completed. Pending consideration of this matter by the security council, I would prefer to postpone answering the question, if that is agreeable to the hon. member.

Mr. Church: I wanted to say to the Secretary of State for External Affairs that unless Canada takes part in the airlift into Berlin the western powers will lose command of the seas.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Thursday, February 24, consideration of the motion of Mr. D. F. Brown for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

(Translation):

Mr. David Gourd (Chapleau): Mr. Speaker, may I congratulate you for the faultless manner in which you have discharged your important duties during the four years of our twentieth parliament.

I am glad of this opportunity to renew my congratulations to the Right Hon. Louis S. St. Laurent who, after assuming the leadership of the great Liberal party, undertook to everyone's satisfaction the heavy responsibilities of governing the country as prime minister. All who are anxious to ensure the prosperity and future of this country rejoiced on seeing such great responsibilities entrusted to a man so able to assume them. Fortunately, the great majority of the people appreciate the importance of responsible leaders who wish to preserve the people's freedom while guaranteeing its economic security and stability. I join my distinguished colleagues in congratulating the mover and seconder of the address in reply to the speech from the throne, the hon. members for Essex West (Mr. Brown) and for Laval-Two Mountains (Mr. Demers).

At this session, the house will discuss several important matters and take decisions of far-reaching consequences.

As far as the speech from the throne is concerned, I wish to draw to the attention of the government a few points which I believe to be of the utmost importance for the constituency I represent, as well as for the country at large.

First, I was greatly pleased, Mr. Speaker, to learn of the government's intention of supplementing the present Family Allowances Act, which we owe to the cabinet of our illustrious former prime minister. The hon. member for Glengarry (Mr. Mackenzie King) showed once again, in putting forth that legislation, that he has a profound understanding of social justice. Since this legislation has proved effective, it should now be stripped of as many restrictions as possible. I congratulate the government on its proposal in this respect.

Obviously, estimated budget expenditures are thus increased, but can a state spend more wisely than by providing for its human heritage?

In troubled times such as ours when so many false, destructive and subversive ideas are spread throughout the world, steps should be taken to ensure that future generations will be physically, intellectually and morally sound. The best Canadians we can hope for are still those who are taught, on their mother's lap, to love Canada. For them, moral values are part and parcel of their family heritage. In planning first of all for them, we plan for the future.

It is in the newer regions especially, such as Chapleau county which I am privileged to represent, that the benefits of this Family Allowances Act are more easily observed. The families of settlers and pioneers of that district, who pride themselves on having lived in this country for three centuries, whose forebears cleared uninhabited tracts of land and who, in their turn, are now building an entirely new country, are quite deserving of some encouragement by the government in carrying out the superhuman task of pushing the frontiers of civilization beyond their present limits and of making new wealth accessible to all.

I pay tribute to those builders, to those fathers and mothers who are rearing strong and healthy children to help us face an uncertain future.

May I be permitted, Mr. Speaker, to again submit to this house how important it is, in my estimation, in order to co-ordinate good will and to maintain peace, that a country such as Canada be represented at the Vatican, stronghold of Christianity and a moral force so necessary at all times.

I also submit that the official recognition of a distinctive national flag would answer the wish of a great majority of Canadians. I am happy to congratulate also the hon. member for Portneuf (Mr. Gauthier) for his excellent remarks. I join him in thanking the hon. Minister of National Health and Welfare (Mr. Martin) for the adoption of legislation so useful to humanity.

In a constituency as new as the one I have the honour of representing, we already have a sanatorium, and a new hospital now nearing completion. Similar facilities exist in Val d'Or, in the constituency next to mine.

To show the usefulness of this act to our people, let me give an example. A few days ago I received a letter of thanks from the

chairman of the board of the Macamic sanatorium, Mr. Jacques Bouchard, acknowledging the receipt of a $256,680 grant to his institution.

Since the second hospital to which I referred has not yet been completed, I do not know what portion of the grant it will receive, but I am nevertheless convinced that it will be a fair share.

Mr. Speaker, before dealing more particularly with my constituency, I wish to suggest that measures should be taken for the relief of low-income taxpayers. I am convinced that if all incomes lower than $2,500 were exempt from taxation, the economic prosperity of this country would become more and more stabilized.

Ever since the victory of our armies, allied to those of other nations, that is to say for more than four years, we have experienced wonderful prosperity, as a result of the wise administration of our government. Once more, our national balance-sheet shows a considerable surplus. Through the competence and ability of our minister of Finance (Mr. Abbott) Canada has secured a financial position which is one of the soundest in the world. I therefore suggest that the tax burden which Canadian citizens have to bear should now be lightened.

I wish to congratulate the Minister of Transport (Mr. Chevrier) for his vision and ability in building a branch line from Barraute towards Kiask falls. I must again mention the important reports prepared by Mr. Keith Ralston, C.N.R. engineer, on the natural resources of that district. I must recall too the many resolutions passed by the boards of trade and other organizations in my constituency asking that this railway line be extended over a further eleven miles, so that it may reach Cedar rapids at Kiask falls. Navigation would then be possible over a stretch of about sixty miles north of these rapids.

At the time I discussed this matter at length, on March 6, 1947, this line was only in the blueprint stage. Today it is being completed and results already apparent, particularly at Bachelor lake, are an incentive for the building of this line on the 11 mile stretch I have mentioned and, before long, for its extension to Chibougamau.

Mr. Speaker, I should like to draw the attention of the house to a rather extraordinary fact in northern Quebec and Ontario. Our provincial highways reach the boundaries, or nearly, whilst the Ontario roads are 50 miles remote from our boundaries, a stretch that has never been built. There has been so much talk about unity that it seems unbelievable that such conditions exist and that our communication system should not be more efficient.

I know, Mr. Speaker, that it is not always easy for the dominion government to obtain the co-operation of the provincial governments. However, I urge the federal authorities to do everything in their power to open up the 50 miles of road which I have mentioned and to build a highway connecting my district with northern Ontario. Those two areas have several things in common and the relations of their citizens will consolidate their common interests, wipe out their disagreements and strengthen unity between the two provinces.

I would also suggest that the necessary steps be taken so that the trans-Canada highway may have approximately the following layout; going east from Cochrane, running somewhat parallel to the C.N.R. tracks, passing through La Reine and crossing my constituency to Mont Laurier. Such a layout would greatly reduce the distance between Montreal and Cochrane.

In plotting the highway in that manner, the present roads could be used for the greater part of the way, which would save time in building the highway. The layout would be advantageous to tourists who could take one road going north and another one coming south, thus making a loop.

I should like to stress the fact that the present highway, leaving the Manitoba boundary at 35 miles from Kenora and passing through Fort William, Kapuskasing, Cochrane and Ottawa, is 1,390 miles long. I would also point out that the highway from Point Fortune in the province of Quebec to the New Brunswick boundary, near Edmundston, covers a distance of 388 miles. That means a total of 1,778 miles from the Manitoba to the New Brunswick boundary. The present highway is located in Ontario to the extent of 75 per cent. If my proposal were carried out, the road starting at Kenora would still pass through Fort William, Hearst, Kapuskasing and Cochrane. It would cover a distance of 894 miles in Ontario. From Cochrane, it would head for La Reine in the province of Quebec and thence through La Sarre, Louvicourt, Mont Laurier, Montreal and so on until it reached the New Brunswick boundary. The highway would then cover a distance

of 828 miles in the province of Quebec. The present road stretches over 1,778 miles while the alternative I suggest would be only 1,722 miles long. Not only would the latter be 56 miles shorter, but it would be more evenly distributed between Ontario and Quebec.

Since the dominion government will pay half the cost incurred in building the trans-Canada highway, I suggest that a joint committee, consisting of dominion government representatives and of delegates from the provinces concerned, be authorized to act on this matter.

Before I resume my seat, I would like to draw the attention of the house to a problem of great importance to the farmers of my constituency. I would like to voice, for the benefit of all members, the protests of my constituents against any measure designed to promote the free sale of margarine.

There are not a few people in this country who claim that the farmers have been reaping profits during the last few years. If such arguments are to be used to justify the free marketing of margarine, I wish to state in reply that the present situation of the farmers, in general, is not very profitable and that it would be economically unsound to increase their difficulties by forcing a drop in the price of butter and by making it harder for them to sell their product. At the very least, legislation is necessary to preclude margarine from being sold with the same colouring as that of butter.

I wish to draw the attention of the house to the fact that in my constituency of Chapleau there are a great many Indians. It would be advisable to build a special school in order that they may be trained and educated, so that they may take an active part in our public affairs and contribute to the development of our vast region.

I also suggest the establishment by the federal government of an experimental farm in northwestern Quebec. The great expanse of fine, cultivated land of which we are the proud owners and the constant advances made in the clearing of land mean that this farm would be of great service to our farmers and settlers.

Mr. Speaker, I believe it to be my duty, in order that justice and truth may prevail, to correct the statements made in this house by the hon. member for Pontiac (Mr. Caouette) on February the 1st last.

I must say that I do not intend to match insult with insult. I have far too much respect for the house to stoop to that. The respect I have for myself, for my electors and for the mandate which they have given me, prevents me from doing so. I will therefore restrict myself to stating the actual truth.

I have always thought that we are elected to serve the best interests of all but especially those of our constituents. I was therefore quite surprised when the member for Pontiac took me to task for having secured a post office for his constituents of Val d'Or. I shall not deny the part I played in this matter. I have also helped to secure grants for the mines located in the constituency of Pontiac and elsewhere. I am sure that the farmers of his constituency or of my own do not bear me ill will for having thus helped the development of the district, because this makes it easier for them to market their products. I may add that, for my part, I shall always be happy to see colleagues of mine in this house do a service to my constituents.

The member for Pontiac saw fit to add that nothing was being done in the Chapleau constituency. I must say in this connection that I am prepared to let my electors, who have witnessed my efforts during the last four years, be the judges in this matter.

The member for Pontiac also referred to a meeting which was held at Senneterre on January 14. As he was not present, and since he has to rely on inaccurate secondhand information, I may say that at that meeting three matters were discussed. The first related to the refund of tax overpayments on electricity. I have requested my constituents to send me all documents and details pertaining to that matter, and the hon. member for Pontiac may be assured that as soon as I receive them I will give the matter the attention I always devote to matters which concern my constituency. The second point had to do with the opening of a school for Indians. I have dealt with that question in my present speech and I am requesting the establishment of such a school. At the said meeting I informed the people of Senneterre that I was in favour of that project, but that in my opinion before deciding on a site for that school the department should have a survey made so that the most suitable site might be chosen. In so doing, I was following a policy which is that of the Liberal party as well as my own, and which consists in avoiding wholesale promises not meant to be kept. Whenever I have made a promise to my constituents, I have kept it.

The third matter discussed was the building of a post office. The postal revenue at Senneterre is $7,800. The department cannot build a post office when revenue from such a

source is less than $10,000. The member for Pontiac should know it. This I have explained to my electors of Senneterre. I also told them that Val d'Or had secured its post office because the revenue there was $45,000. On the other hand, La Sarre, whose post office yields over $16,000, can expect to obtain one also.

The member for Pontiac is blaming me because I said that a member must use tact. I submit that tact and politeness are qualities all of us should strive to acquire.

That hon. member has said that I had boasted that I did not have to be a member of parliament to make a living. Mr. Speaker, what I said is that I am not in politics to make money but only to help all I can towards the development of northwestern Quebec. I have been in that part of the country for 37 years; I saw the first tree that was felled there, the first ploughing, the first crop, the first train, and I am indeed happy to have witnessed the extraordinary development that has taken place in Abitibi. When I think that there were only about ten people when I first got there and that Chapleau now has a population of 75,000, I am as proud as if it were a personal achievement. There is no doubt that a member of parliament would make more money by staying home to look after his business, but I am amply rewarded by the knowledge that I contribute to the development of my constituency of Chapleau, of my province and of my country.

(Text):

Mr. A. J. Brooks (Royal): Mr. Speaker, before entering into a discussion of the matters contained in the speech from the throne, I wish to add my congratulations to those which have already been expressed to the Prime Minister (Mr. St. Laurent) and to the other cabinet ministers who have been appointed since the last session of the house. I also wish to extend congratulations to my leader (Mr. Drew) and express my pride and pleasure in his appointment as the head of the Progressive Conservative party. I am sure that all hon. members, no matter what their politics, have realized that the leader of the Progressive Conservative party is not only a man who has already gone far but one who is going to go much farther in the history of this dominion of ours.

During the debate on the speech from the throne an opportunity is given to hon. members, as representatives of the people, to discuss the country's conditions generally, and to present to parliament the views of their own constituencies and the needs of the country as they see them. I shall only touch on a few of these this afternoon since there will be many other opportunities to bring up these matters.

We have already discussed the question of bringing Newfoundland into confederation. No objection has been taken by any member in this party. All members of the Progressive Conservative party are pleased indeed to welcome this new province to confederation. As a matter of fact I doubt if there are many members in the House of Commons opposed to their coming in. We did object to the manner in which their joining was being brought about. However, that matter has been discussed fully, and I do not intend to weary the house by discussing it again at this time.

We in the maritime provinces are particularly proud to welcome this new province. We have much in common with the people of Newfoundland. They are our near neighbour; their people are much the same as our people; their basic industries are much the same as ours. That is, they get their living from the sea, the forests and the mines. Those of us in the three little provinces by the sea are pleased indeed to welcome another sister.

May I express the hope that this new maritime province will not have to travel as hard a road as have the three provinces of New Brunswick, Nova Scotia and Prince Edward Island since the time they joined confederation. As was said in the house a few days ago, this matter of bringing Newfoundland into the fold is the fulfilment of the dream of confederation as expressed many years ago by Sir John A. Macdonald. It is the uniting of two great countries of the British commonwealth of nations. I was pleased indeed to hear the hon. member for Cochrane (Mr. Bradette)—who, unfortunately, is not in his seat this afternoon—make his eloquent appeal for unity within this country. He stated that a united Canada is one of the great essentials, so far as the future prosperity of the country is concerned. He went on to say that a united commonwealth and empire is also a great essential, not only for the future welfare of this country but for the future peace of the world.

This is no idle dream, Mr. Speaker. History has proved in two great wars just how necessary the British commonwealth is to the welfare of the world. It is true that in the house we often hear in speeches, questions asked of the ministry or through notices of motions placed on the order paper, state-

ments which might seem to weaken those ties which bind together the different members of the commonwealth. However, I have been in the house now for fourteen years and have learned to pay very little attention to such statements.

The great problem agitating the minds of the people of Canada, as well as those of other freedom-loving countries today, is security for the future. I have said that the British commonwealth of nations is one of the requisites for the procurement and maintenance of peace in the world. In the war of 1914-18 the British commonwealth stood as a bulwark preserving the liberties of freedom-loving people. We did not lose sight of the fact that our great neighbour to the south played an important part in that war. But, as has been said on many occasions, the war did not commence in 1917; it commenced in 1914. And if we had had to wait for a year or so, until the United States came in, I doubt very much what position the world would have been in by that time.

Then, the second great world war from 1939 to 1945 did not begin after Pearl Harbor. It began in 1939; and had it not been for the British commonwealth at that time one might wonder in what position the world would be today. In saying these things I am not in any way belittling the great part played by the United States. But the point I would emphasize is that it is essential and necessary that this great organization, this British commonwealth of nations which, on two occasions, has preserved the freedom and peace of the world, continue to keep itself as strong as possible.

We had hoped that after the last war, when so many nations had fought for the preservation of peace, and after so many had perished in those countries which had been overrun, the United Nations would have been the source to which we might turn for the preservation of peace and for the future security of the world. But, as was stated only a few days ago by the Secretary of State for External Affairs (Mr. Pearson), it is unreasonable and would be unreasoning if today we were to depend upon and place our hopes in the United Nations. We must remember what has happened. Fifty nations met at San Francisco; but the ink was hardly dry on the signatures of many of their representatives before trouble arose in different parts of the world, and particularly trouble with one of those great nations which, we all admit, had played a magnificent part in the war of 1939-45.

It became necessary therefore, in order to preserve peace and security, for the freedom-loving peoples of the world to look around for the purpose of forming some other pact, or arriving at some other solution. The speech from the throne mentions the north Atlantic pact. Let me say at the outset that I and, I am satisfied, all hon. members in the house and all others interested in the preservation of the peace of the world, are in favour of the north Atlantic pact. We realize of course the difficulties involved in bringing this pact to a successful conclusion, and the difficulty of bringing all nations within its sphere. First of all, those countries in Europe which were devastated and torn by war must be put on their feet; they are not in a position today to bear the great burdens they would have to bear in the event of future hostilities. Countries such as France, Belgium, Holland and other European countries, all of which suffered devastation, must be placed in a position where they can bear their share of the burden. Then, nations such as the Scandinavian group must be brought into the pact; and we recognize the great difficulty involved in this procedure. Perhaps we do not realize as clearly as we should the difficulty this presents to smaller countries such as Norway. They have terrific problems to solve. In Canada we do not find it hard to decide on which side we would place our strength. But for a little country like Norway, situated on the very border of one of those nations from which we expect our chief trouble, the difficulty is most acute. We must respect the stand taken by this small nation within the last few weeks.

We realize, too, the difficulty confronting a country such as Eire. I am not concerned with nor am I competent to discuss the internal politics of that country. It would seem to me, however, that the salvation of a country like Eire, in the event of trouble, would depend upon an agreement such as the north Atlantic pact. This country feels that it is impossible for it to enter such a pact until certain internal arrangements have been made. I simply mention these things to show how difficult the problems are that are involved in bringing about security in the world.

The other day the minister, when speaking about security, praised the airlift, but he mentioned something which caught my attention at that time. He said it represented a paradox. The paradox was that young men who had fought in the last war, who had carried bombs to Berlin for the destruction of that city, today were using the same bombers to carry food for the preservation of the people of the same city. The thought that struck me was that not all the young men and not all the bombers are being used for this purpose. I have wondered why it is that

Canadian bombers and Canadian young men have not been employed to assist Great Britain and the United States in the task. We are told that the maintaining of the sections of Berlin occupied by Great Britain, France, and the United States is very essential as far as the future preservation of peace is concerned. If it is so essential it seems to me it is another paradox that we in Canada are not bearing our full share in carrying that burden.

In the speech from the throne there is a section which is of great interest to the people of Canada, and which I think will be of particular interest to the people of the maritime provinces. It reads:

> You will be asked to approve, subject to the approval of the United States authorities, the agreement concluded in 1941 for the development of navigation and power in the Great Lakes-St. Lawrence basin.

That is the St. Lawrence waterway. I listened to the speech of the mover of the address in reply to the speech from the throne (Mr. Brown), and may I at this time congratulate him on a very excellent effort. In his speech he pointed out the great benefit that the St. Lawrence waterway would be to certain parts of Canada and the United States. He pointed out that the dream, not only of people of the present day, but of people of Canada and the United States for a great many years, has been that grain and products shipped at the head of the lakes might be conveyed by water right through to the sea. He also spoke about the merchandise that could be moved from Montreal, Toronto and other parts of Canada into the great central areas of the North American continent. That is something which will be of great benefit to those sections of Canada, but there are certain parts of the dominion, as there are certain sections of the United States, which are not going to benefit very materially from the development of the St. Lawrence waterway.

In the three maritime provinces we feel that it will not be of very much, if any, benefit to us. In saying that I am not intimating that we are not in favour of anything that will assist in the development of our great country as a whole, or that is for the benefit of other sections of the Dominion of Canada. History will disprove that. We have always borne our full share of the development of all parts of Canada. Our money and our people have helped to develop them. We have helped to develop the great railways that cross the country. Some three or four hundred million dollars have been spent by Canada in the development of canals in Ontario and other parts of the nation. We helped to build the Hudson Bay railway, which has never been, and never will be, of any benefit to the people of the maritime provinces.

Therefore I say we are not opposed to anything which is for the benefit of the whole. I think there are certain ways in which the St. Lawrence waterway can be of benefit to the maritime provinces. Perhaps we might get cheaper feed for our farmers inasmuch as it would be conveyed by water all the way from the west. The way in which the most benefit would be derived would be, I believe, from the development of the Chignecto canal. In this house on previous occasions I have mentioned the development of the Chignecto canal. I want to say to hon. members that, while it is a very old subject, while it has been discussed since long before the days of confederation, it is still a very burning question in our provinces.

This afternoon it is not necessary for me to weary the house with the history of the Chignecto canal. It is sufficient to say that by its construction over 400 miles will be eliminated from the water route of ships traveling from the St. Lawrence river to Saint John, Digby, and other ports on the bay of Fundy.

As far as coastal service is concerned, it would help to shorten the distance for ships wishing to trade with Boston, New York, and ports of the New England states. The gypsum that we produce in the region of the bay of Fundy could be shipped through the Chignecto canal to the central part of Canada, and that industry would benefit greatly. The construction of the canal would benefit our lumbering industry, our fishing industry, and practically every other industry in our provinces.

There is another benefit which I think might be derived from the construction of a canal. I refer to the great iron finds in Labrador. Now that Newfoundland is coming into confederation the Hollinger-Hanna concessions in Labrador and Quebec are to be developed. A railway is to be built from the mines to Seven Islands, a port on the St. Lawrence river. There is no doubt that the New England states will expect much of the ore to be shipped to Boston, New York and other places in the New England states. I repeat that by constructing the Chignecto canal you will link the bay of Fundy with the St. Lawrence waterway, and over 400 miles, as can be seen from this map, will be saved in transporting iron ore from the port of Seven Islands to different points in the United States.

I hope that, when the question of the St. Lawrence waterway is being discussed, members of the house will bear in mind that, as we will be called upon to help to pay for the

development of the St. Lawrence waterway, we should be given some consideration as far as the development of the Chignecto canal is concerned, for it is something that was promised to the people of the maritime provinces many years ago.

There is another point about the development of the Chignecto canal. I am not an engineer, but I have been told that through the construction of the Chignecto canal hydro power can also be developed. The maritime provinces need hydro power. As a matter of fact, our people are starving for electrical power. One of the main reasons why we have no comparable industry in that section of the nation is the fact that we have not cheap power. I hope that consideration will be given to that side of the question when the matter is being discussed. Just a few days ago I read that locations were being sought in Canada for some four hundred factories from Great Britain. A few of these may be coming to the maritime provinces; I do not know of any, but I believe one or two have come to Nova Scotia. If four or five hundred industries from the old country are to be located in Canada, certainly we should have some of them down on the eastern coast. As a matter of fact if these English companies, or any other companies, wish to export goods overseas, what better place would there be to establish factories than down in the provinces by the sea?

There is another development on which I want to say a few words; that is the Passamaquoddy project. Last summer I saw an article in the newspapers saying this matter was being discussed again, that it was being brought up in the United States by Senator Brewster of Maine, and I wrote to the Department of External Affairs about it. Many years ago, I think in 1920, an engineer named Cooper first thought of developing power by harnessing the tides. Millions of dollars were spent at that time; as a matter of fact I believe Mr. Cooper spent some $300,000 of his own money. As hon. members know, tides in the bay of Fundy rise sometimes as high as 40 feet. In Passamaquoddy bay and Penobscot bay in Maine the tides are very high, and Mr. Cooper's idea was to use these two bays for the development of power by letting the water out of one and holding it in the other to form a head, and vice versa. This project was not very popular in New Brunswick when it was first introduced, because at that time it was said that it would be injurious to the fisheries of that province. Since that time the matter has been thoroughly investigated, however, and I believe the fear that it might injure our fisheries has been proved groundless. So I hope the Canadian government will give this matter serious consideration. It is being investigated at the present time by a commission, and if it is found practicable I hope the government will take whatever steps may be necessary to carry it out.

Much has been said during this debate on the question of taxes. I am not going to make any extended remarks, but I believe we in New Brunswick are paying the highest taxes anywhere on the North American continent. I might mention taxes on tobacco, for instance, as a result of which we pay 39 cents for a package of cigarettes which costs 35 cents in Ottawa and other parts of Canada. The gasoline tax in New Brunswick is higher than anywhere in Canada, and I believe higher than anywhere on this continent.

A day or so ago I was interested to learn that the farmers were to receive some consideration in the matter of basic herds. I think this is a step in the right direction. The previous ruling was that if a basic herd was sold or slaughtered in a single year the proceeds were looked upon as income and the owner of the herd had to pay the full income tax. There is another question that is very closely associated with that of the basic herds, and that is of great interest to the farmers of New Brunswick. Most of them have woodlots. They go out and cut lumber or pulpwood, sometimes completing their cutting all in one year or sometimes extending it over a period of years. As we all know it takes thirty or forty years for a tree to grow. If these farmers sell all the lumber off their farms in one year the proceeds have been taken as income for that particular year, and they have had to pay the full income tax on it. This is the same principle as the basic herd, and when the minister is giving consideration to these income tax reforms I hope he will consider this matter of lumber cut by farmers. In this connection, if the house will bear with me I should like to read a resolution offered at the convention of farmers and dairymen held at Fredericton in January of this year, as follows:

Whereas the farmers owning woodlots and cutting therefrom have no allowance made them for the annual growth when being assessed income tax;

And whereas they are assessed in full for all stumpage value received over and above original investment;

And whereas this has the effect of discouraging continued ownership of farmers' woodlots due to the fact that he has to pay tax to the extent indicated in the foregoing. In fact, in many cases, this taxation is the reason for farmers selling and moving off their farms;

And whereas it is in the interest of the country as a whole to offer every encouragement to farmers to stay upon their farms and continue to produce food for Canadian consumption and export;

Now therefore be it resolved that this farmers' and dairymen's convention in session assembled do

recommend that farmers be allowed a reasonable stumpage value for logs, pulpwood, etc., cut on their lots deductible from tax notwithstanding write-offs which may have been previously made with a view of encouraging the farmer to stay upon his farm;

And further resolved that a copy of this resolution be mailed to the Minister of Agriculture of New Brunswick with a request that he take immediate action with the Department of Finance at Ottawa with a view of having its provisions implemented at the first opportunity.

I hope the Minister of National Revenue will take this matter into consideration also, because the situation is very unfair and should be corrected at once. While I am dealing with taxes I must say that I consider our young people are being taxed much too heavily. We often say, "Oh, he is a young, unmarried man with a fairly good salary; he can afford to pay a high tax". These young men are trying to build up their incomes. They hope to get money with which to get married and build homes, but with the taxes they have to pay it is impossible for them to build up their bank accounts for these purposes. That is a very bad thing for the country, and it also has the effect of driving these young men out of Canada. We suffer from this in New Brunswick to a great extent, and I am satisfied that one of the great reasons for our young people leaving the country is the heavy taxation imposed upon them. So I would hope the minister might be able to increase the exemption allowed our young people.

I see that my time is fast slipping by, but I should like to say just a few words in connection with veterans affairs. On numerous occasions I have recommended that a standing committee on veterans affairs be set up by this house, and I take this opportunity of repeating that recommendation. I know of no committee which would have a more beneficial effect. We have a number of standing committees of this house, and I have been a member of many of them in the past fourteen years. Some of these committees never meet, and some of them meet once or twice a year. If there were a veterans affairs committee, it would meet very often.

Upon looking at the record, I find that the first veterans affairs committee met in 1916. From 1916 until shortly before the last war, there were thirteen veterans affairs committees. Since the last war, there have been five such committees, making a total of eighteen committees in the past thirty-two or thirty-three years. When these veterans affairs committees meet, they meet almost daily. During the last session, no committee was busier than the veterans affairs committee. If that committee were sitting today, many problems could be considered by it. I will not take the time to enumerate those problems, but the veterans consider that committee as their forum. It is a place to which they can come and present their grievances to sympathetic ears. I do ask that the veterans affairs committee be again set up.

While I am mentioning veterans affairs, Mr. Speaker, I should like to pay a tribute to a gentleman who passed away a few days ago. I refer to the late John Herwig, who was the secretary of the Canadian legion. The returned men of this country have lost a great advocate in the death of this man. For many years, Mr. Herwig has fought and worked on behalf of the veterans of this country and, on many occasions, he appeared before the veterans affairs committee. Since other opportunities will be afforded for speaking of veterans affairs, Mr. Speaker, I shall have more to say on that subject at a later time.

I should like now to say a few words about conservation. A few moments ago I spoke of the woodlots of the farmers in my own province. The lumbering interests of this country are becoming very much concerned, and I think rightly so, about a situation which is developing in the depletion of our forests. In my own province there has been a great need for conservation for many years. The financial position of the province does not permit the province to undertake it. It is time the federal government gave some assistance. I was pleased to see some mention of conservation in the speech from the throne. The time has come when the federal government should assist the small provinces, or assist all the provinces for that matter, in their conservation problems.

Some people may say the federal government has no interest in this matter, except in the northern parts of the dominion. The federal government has an interest, however, because these lumbering areas provide employment for many of our people. In places where there is little manufacturing, as in the province of New Brunswick, the lumbering industry is the greatest industry we have. I was very much surprised to read in the February issue of a publication issued by the Canadian Forestry Association that there are very few Canadian films which can be used to educate the people on forest conservation. This article reads as follows:

Motion pictures as an aid to forestry education are an important medium employed by the Canadian Forestry Association. During 1948, Canadian Forestry Association's own motion picture and lecture tours, its film libraries and co-operative tours recorded an attendance in all Canadian provinces of 400,000 men, women and youths, French and English.

It is regrettable to report that all the major motion pictures, in the 1948 program, dealing with forest management, forest protection, soil erosion, water and wild life were purchased by Canadian Forestry Association in the United States and adapted (and

translated for Quebec) in Canada. The principal producer of forest conservation films on this continent is the United States Department of Agriculture.

This article goes on to say that this is one field in which our Canadian film board could very properly take a prominent part. The production of films on conservation to educate our people would be of great assistance. The article also says that, so far as the association's program for this year is concerned, they must again depend on the United States for films.

My time has run out, Mr. Speaker, but I should like to say a word about crippled persons. The member for Calgary West (Mr. Smith) made an eloquent plea on their behalf the other day. It was gratifying to hear the Minister of National Health and Welfare (Mr. Martin) say that approximately $500,000 had been set aside to aid crippled children. There are other cripples, Mr. Speaker, who are not children. I refer to those young men and young women whom we see in every town and village across the country who have suffered from some incurable disease and who are forced to drag their bodies along on crutches. As was pointed out last night, these people receive no assistance. They are not old enough to receive the old age pension, and they are not blind. They are helpless, however. I have received letters from some of my own constituents about this matter. I do hope this parliament will consider helping these people. There is no more deserving class of people in this country, to my way of thinking.

Mr. Arthur Williams (Ontario): During the time at my disposal, Mr. Speaker, I intend to direct my remarks to just two subjects which are only briefly mentioned in the speech from the throne. These two subjects are health and housing. As I looked very carefully through the speech from the throne, I noticed that it dealt with some thirty-nine items. Of the thirty-nine items only two referred to health and housing. Housing was referred to in just twenty-six words and health was referred to in forty-four. I was disappointed that the speech from the throne should be so sparse in its reference to these two important matters.

Two of the most pressing problems of the nation at the present time are health and housing. These are the two things that weigh most heavily on the people of this country. It is true the people are concerned about prices, and in the speech from the throne there is a very brief reference to the question of prices. It is to the effect that present controls will be continued. Some time was spent on that question when the resolution concerning it was before the house, so it is not necessary to refer to it again. I hope some serious attention will be paid to these two particular questions. On the question of health itself, may I say that it was with a great deal of interest and some degree of pleasure that I listened to the Minister of National Health and Welfare (Mr. Martin) when he addressed the house. The hon. gentleman made an effective speech and clearly outlined the steps that are being taken in those particular fields. But the fields are extremely limited. To me the minister was just describing the skeleton of a health program. After all the years that Canada has been a country, I think it is about time that we had something more than a skeleton and that we began to put flesh on it.

It is true that what the government is doing is highly commendable. With the exception of one who wished to indulge in carping criticism, nobody would offer any word of condemnation of the government's activities in connection with cancer, for instance. It is most desirable that something concrete and effective should be done to deal with that scourge. In her speech my colleague the hon. member for Qu'Appelle (Mrs. Strum) referred to the seriousness of arthritis. I agree entirely with what she said. The hon. member for Royal (Mr. Brooks), who just sat down, referred to the condition in which incurables find themselves. During this session most members of parliament have received a circular letter from the head office of the incurables association in Calgary. We have also received letters from our constituents who are suffering from "polio" and other diseases. It is necessary that concrete steps should be taken by the government to remove these people from the position of being a burden of responsibility on other members of their family. Instead of these unfortunate sufferers feeling that they were dependent upon other members of their family—though the latter gladly accept the responsibility—and being obliged to endure not only the suffering occasioned by these diseases but also the embarrassment of being dependent on other members of the family, many of whom cannot stand the strain, I think it would be commendable if the government undertook responsibility for them.

All these things are highly commendable. But if they were all done, there still would remain just a skeleton of a health program. I sometimes wonder whether people who are in positions of authority in this country really know a great deal about a health program —and I am not thinking now merely of members of the federal government but of other people too. Some of us have had the fortunate experience of living in a country with a complete health program. The Minister of

Labour (Mr. Mitchell) is one of them, and I know other gentlemen in this house who have had that great advantage. I am sure that every one of them would agree with me that such a health program provides not only for the things that the Minister of National Health and Welfare says this present government is providing for, but for all the other things that so many hundreds of thousands of our people in Canada have not the opportunity of enjoying. All kinds of sicknesses and illnesses are still being endured by the people of this country because of the fact that they are not able to afford medical attention. They just sit down and continue to suffer. In this connection I should like to quote the words of the former Prime Minister, the right hon. member for Glengarry (Mr. Mackenzie King) when he introduced in this house on May 14 of last year what was then described as a national health program. As reported at page 3935 of *Hansard*, the right hon. gentleman said:

> No doubt it will seem to hon. members that in presenting this health program to parliament the government is pursuing a policy which over the years will involve the expenditure of considerable sums of money. That is apparent. But what these expenditures may mean in the preservation of health, in the saving of human life, to say nothing of the lessening of human suffering and misery and not infrequently despair, is beyond calculation.

For all the years before this statement was made by the right hon. gentleman—and even since it was made—the people have continued to endure this "human suffering and misery and not infrequently despair" merely because we still have only the skeleton of a health program; there is no flesh on it.

A moment or two ago I expressed wonder whether the responsible people of this country knew much about health programs. I have noticed on their part a great tendency always to enlist the assistance, advice and professional experience of people who are termed "experts". Through the years shoals of information have been compiled on this subject. Yet the most effective steps toward the introduction of the best health plan that was ever introduced and devised were taken when people who were not experts, who were not professionals, undertook to do the work. Sometimes I think we can get so bogged down with expert and professional opinion that we are not able to see the wood for trees.

In matters of health we have before our eyes in Great Britain the most magnificent exhibition on the part of a government that can be found anywhere in the world. Hon. gentlemen in this house have had occasion to know at first hand about such a program. The Prime Minister knows about it for he went to England quite recently. Other hon. gentlemen know about it; they went later as a delegation from this parliament to the old country, including even the hon. member for Peace River (Mr. Low), who the other day spoke so scathingly about Britain. When these gentlemen landed in England, about the first thing that happened was that they were given a little yellow card. On that yellow card the instructions were printed. They did not have to be in the country any length of time; they did not have to be contributors to the plan. Irrespective of where you come from or what ailment may befall you while you are in the old country, or what accident may occur to you, without any other concern, consideration or requirement, that yellow card provides you with complete health, medical and hospital facilities.

Last Friday when I spoke in this house on the resolution dealing with price control I referred to the fact that the people of Britain were getting something for their taxes; that they were paying four shillings and eleven pence for this huge social program which the people are getting in Britain. All they paid was a paltry four shillings and eleven pence or $1.25 of their pay, for their whole social security plan. Of this amount eight pence halfpenny, or seventeen cents a person was taken for the health plan.

Mr. Mitchell: A week.

Mr. Williams: Yes, a week, about $35 a year, to get everything that the medical and hospital profession can possibly give them. You get the doctor without any further charge. I have heard some people say that you have to take the doctor that you are ordered to take. That is just so much political bunkum. That is said in this country deliberately to gain a mean political advantage at the expense of a tremendously worthwhile project in the old country. You do not have to take the doctor that anybody recommends. You take the doctor you want; and if you are over sixteen years of age, and perchance your mother and father have one doctor and you want another doctor, under the plan you are perfectly entitled to your choice. There is no compulsion about it.

Another interesting thing about the whole plan, despite the fact that here in Canada we are told that you must join it, is that there is no such thing as "must" about it. You can join it or stay out of it, whichever you like; but it is such a wonderful thing that practically all of the 48,000,000 people in Britain are members of it, even the Tories.

I am very proud of one fact, namely, that the man who is responsible for the administration of the health program in the old country is an associate of mine. He and I worked in the same pit back in the old

country, Ni Bevan. Please do not spell that N-y-e. An hon. member to my left, who is a member of the Social Credit party, is always correcting hon. gentlemen. On two occasions I have heard him correct the pronunciation of hon. members and yesterday I noticed that he tried to correct the spelling of a particular place in his riding. I follow his example in this respect and say please spell the name N-i. That is the way Ni spells it himself, so I would say that he is right. He and I worked in the same pit, and when all this fuss was being publicized in the Canadian papers about the introduction, or the contemplated introduction, of the health plan in the old country, I wrote to Ni and asked him if he would kindly send me a copy of his proposed bill in order that I could understand what it was all about, and Ni wrote back to me and said: "You don't want a copy of the bill, Arthur; just think of the Tredegar medical aid society." The Tredegar medical aid society is an organization which was started many years ago not by experts, not by professionals, but by a bunch of miners. Back home we call them colliers. They are the chaps who dig the coal for one shilling and two pence a ton, which the capitalists sell for sixteen shillings a ton. These miners got together. The coal companies, although they were tremendously wealthy, did not provide health plans, did not provide hospitals, did not provide any medical facilities, and the miners, in their desperation, got together and started to hammer out a program for themselves. I shall never forget one Saturday afternoon back in our town hall, after we had gone through the laborious and sometimes tedious process of fashioning this thing. This Saturday afternoon we came to the point of putting it in action. The first job was to select a secretary of the medical committee and we got the secretary. We employed doctors; we bought a hospital, the Tredegar cottage hospital. We set up what we called surgeries, which was a place as big as this chamber. In the centre was the dispensing room where all the medicine, pills, bandages and the rest of it were stored. Along each side of the room were the private offices of the doctors. If I wanted to see Dr. Davis I would go along the corridor where his office was and walk in and tell him what was the trouble. He would give me the prescription and I would go to this dispensing room in the centre of the building, put my prescription in through the window and get my medicine and it did not cost me one single cent beyond the four pence in the pound, the eight cents in the pound, which was deducted from my wages each week.

If our children met with accidents on the road, they went to the hospital, and they were treated without any further bother about payment of doctors or hospital bills. It was all set up by a bunch of miners, just ordinary people. If miners, or a group of workers anywhere, can fashion a plan of that kind out of their extremely limited resources, what wonderful possibilities there are for the government of this country, with the wonderful resources of the nation at its disposal. What a wonderful and thrilling thing it could do too to take this burden of human suffering and oftentimes despair from the shoulders of the people. I do not know whether it will be done. I wish the Minister of National Health and Welfare (Mr. Martin) were in the house this afternoon. I would not care if nobody was in this chamber but the minister. If I could talk to him, and plead with him, if necessary, to set an example of that kind of thing, I am as certain as I stand here this Friday afternoon that if he set aside a block of money out of his $30 million and said to me, "Set up that example of a health and hospital plan in your riding," I could guarantee that in five years the thing would be self-supporting. But you must have the resources to start with, and I do wish the Minister of National Health and Welfare would do it.

An hon. Member: Oh, oh.

Mr. Williams: Don't indulge in these jeering laughs, particularly you Tories, because you have in Ontario a government that is not doing the very thing that you say this government ought to do.

An hon. Member: They are trying to do it.

Mr. Williams: Don't tell me that, because I hold in my hand a copy of the bill which was introduced by the minister of health for the province of Ontario, and it is not worth the paper on which it is written. So you do not know anything about it; and, if you are possessed of the intelligence that I think you have, you will keep quiet.

Mr. Deputy Speaker: Order.

Mr. Williams: Anyone, if he likes, can see this bill of Dr. Vivian, former Ontario minister of health. I could easily describe it. However, I have only forty minutes in which to speak, and I want to talk about housing. I do not wish to waste my time describing something which, after all, is really no good.

Mr. Case: I thought you were asking this government to do it.

Mr. Williams: Oh, sit down, sit down.

I was at the convention of the Canadian Congress of Labour held last October and sat through twelve sittings throughout the week.

I found people at that convention doing exactly the same thing as I see the Tories doing here. Up there we called them communists; down here we call them Progressive Conservatives.

Mr. Smith (Calgary West): Well, I will not bother rising to a point of order on such absolute nonsense as that.

Mr. Williams: There you are. He just says, "I will not bother to rise to a point of order, because it is nonsense"—but he rises, nevertheless.

Mr. Smith (Calgary West): And it was nonsense, nevertheless.

Mr. Irvine: That brought him up.

Mr. Deputy Speaker: Order.

Mr. Smith (Calgary West): I at least have been brought up.

Mr. Williams: Then, as to housing, the Prime Minister (Mr. St. Laurent) in his speech, following the leader of the opposition (Mr. Drew), made reference to the 278,000 houses that had been built. I do not believe the Prime Minister intended to leave the impression that this government had been responsible for the building of 278,000 housing units.

On the very evening of the day this session opened, January 26, in the C.B.C. broadcast called News Roundup, a gentleman to whom I shall refer later used that same figure of 278,000, but left the impression—at least what he said was possible of this construction—that the private enterprise organization he represented was responsible for the building of those 278,000 houses.

In case there is any impression of that kind prevailing, let me point out just what has been accomplished by both public and private enterprise. While it is true that, including conversions, 278,000 units have been built, all the government has built or provided from 1945 until December of 1948 is 24,763 units. These were provided through the medium of veterans housing, Central Mortgage and Housing Corporation, Veterans Land Act, and armed services married quarters. In other words, the government, with the national resources of the country behind it, has furnished an average of about 6,000 units per year. I cannot bring myself to believe that it is proud of that accomplishment. I am certain it would want to do better than that; and it can do much better if it will step into the picture boldly.

Why is it that when we ask why we do not have more houses built we are always told there is a shortage of materials or a shortage of labour? That is not true; it just is not true. Because while the claim has been made that there have been shortages of both labour and materials, the fact remains that all kinds of materials and plenty of labour have been diverted into other channels, such as the building of theatres, pool rooms and the like.

In the city of Toronto—and perhaps it would be useful if hon. members sitting to my right would remember this about that city—in 1947 the sum of $16,500,000 was spent on construction; but of that huge sum only $1,250,000 was spent on housing. Surely this gives an answer to those who say that there have been shortages of materials and labour, when they see that there were plenty of materials and labour to complete the balance of this construction totalling $16,500,000. There was plenty of labour; but apparently no one was interested enough to stop all the unnecessary building and turn that labour to housing. No wonder there is such an outcry about this kind of thing.

The Toronto *Daily Star* of February 14, 1949, gives an account of a meeting of veterans held in the Earlscourt area of that city. According to this report Hec Carter, one of the veterans, said:

> "This meeting's the first real indication we're going to fight this situation. The Legion has taken its first stride toward making itself felt in the land."
>
> Col. Harvey Lyons, blind chairman of the citizens' rehabilitation committee, said: "I hang my head in shame. I'm Canadian-born, and I say Canada can never claim a leading place among the nations so long as it tolerates the chaos and despair that I find among veterans.
>
> These lads feel unwanted. They see the federal government invest in anything but Canadians . . . subsidize anything but human beings. They haven't the courage to invest in Canadians in peace as they willingly do in war."
>
> Col. Joe Finney, veterans' information officer at city hall, said: "Two thousand families will have to be out of their Toronto homes by May, evicted by landlords taking advantage of relaxed controls. To those veterans under notice I say, 'sit tight.' Try to get a home, and if you can't, sit tight.
>
> By June this year, landlords will be forced to wait months for their applications to be heard. Sit tight, and you may be there to Christmas.
>
> Fifty thousand need homes here. Five thousand are veterans living in crowded conditions. Shysters are exploiting them to the limit.
>
> Cheapjacks call me with offers of accommodation. Yesterday it was a Gerrard St. E. man who wanted to help a poor veteran—offered two rooms at $15 a week. He wasn't looking for some poor veteran to help; he wanted some poor veteran to help him.

At the same meeting two hon. members of the house were present. The newspaper report refers to the hon. member for Davenport (Mr. MacNicol) as follows:

> "I'll see your case gets presented to the House of Commons," promised J. R. MacNicol, M.P. for Davenport. "I just can't understand why the federal government hasn't done more."

Another hon. member of the house is referred to as follows:

> "I'm convinced we've got to have a housing program right now," emphasized Harold Timmins,

M.P. for Parkdale. "The government has to be convinced of it; just now it takes things in its stride, quite content with what's been done. I'm ready to adopt any methods you put forward that will get houses built within the income range of average veterans. Small builders in this city are only waiting for the chance."

I could go on and quote from reports about other people who are similarly distressed at the lack of housing in this country, but time will not permit me to do so. I want to assure the house that, if anybody believes for a single moment that this is a problem that can be left to private enterprise, they are making a big mistake. Private enterprise never has solved the problem of housing. I know that, and all hon. members of the house know it. If any further confirmation is required, let me refer to the words of Senator Taft, which may be rather impressive. Senator Taft has this to say:

I am a great believer in free enterprise, but this happens to be one field where it has failed to find a solution.

There was a time years ago, a time we like to forget, when we did not have housing and did not have a housing program, but carpenters, bricklayers, and plumbers were a dime a dozen. They were sitting in their labour halls throughout the country waiting, hoping and praying that they might hear of a house being built somewhere where they could get a job. Private enterprise had scores of opportunities at that particular time to go ahead with a housing program, but it did not do so. Now it is trying to excuse itself on the ground that materials are scarce and labour is scarce, on the ground that materials are expensive and labour is expensive.

The gentleman to whom I referred earlier, when taking part in a C.B.C. news roundup broadcast, was asked certain questions about housing by Bill Beatty of the C.B.C. Mr. Beatty asked him this question:

What are the chief things that affect these home prices?

Mr. Johnson, the general manager of the Canadian Construction Association, had this to say:

There are a lot of factors. Material prices have gone up 60 per cent since 1945.

Sixty per cent since 1945.

Wages for construction workers are up 33 per cent in the same period.

To those who are always claiming, as I heard some do quite recently in the house, that wages are the cause of high prices, I say, let them remember that here is a statement by a man who ought to know, the general manager of the Canadian Construction Association, and he says that the increase in materials is 100 per cent higher than the increase in wages.

The government can take examples from housing programs in other lands if it wishes to do so. I am as certain as I stand here that the government cannot solve the housing problem overnight because the backlog of housing needs is so tremendous, but it could do such a big job that it would rapidly begin to catch up on the shortage of houses. It is not enough merely to lend money. Step into it yourselves and build houses. There is nothing new about that.

During this session of parliament I have been rather interested to hear the criticism leveled by my hon. friends to the right against the government for its lack of co-operation with the provinces. I think the account of the Minister of National Health and Welfare (Mr. Martin) about what is being done in co-operation with the provinces throws the lie back in the teeth of the official opposition. As far as lending money on houses is concerned, the federal government was doing that long before the Ontario government started to do so. There is a degree of co-operation between the federal government and the province of Ontario, but in no instance have either the federal government or the Ontario government actually built houses. They can do it. There is an enormous scope in this field. Speaking of low-rental houses, one way in which it can be done is through building by direct labour and not bringing in contractors and subcontractors. Surely the experiment at Antigonish, in Nova Scotia, is an amazing example. The guild system of building houses in the old country is something that the Minister of Labour (Mr. Mitchell) is familiar with. That is another example of how it can be done. All kinds of avenues for direct building are open to the government if it will only follow them.

If the government do not look after the health and housing of the people then they deserve the severest condemnation, even at election time, of the people of the country. I am certain that the people will not continue to tolerate a government which has such a grand field before it and fails to avail itself of the opportunity. I plead with the government to take active, vigorous and bold steps in the fields of health and housing.

Mr. C. E. Johnston (Bow River): Mr. Speaker, in what I am about to say with reference to the speech from the throne I too must confine myself to a smaller number of subjects than would ordinarily be the case if I had more time at my disposal. There are many things that I should like to discuss in this debate which are of concern to the people of Canada. High prices is one; rising unemployment is another; high taxation is another; housing is another; agriculture is

another; assistance to disabled persons is another. And there are many more. Time will not permit me to deal with these various subjects as fully as I should like. The members of my party have very capably put on record the stand of the Social Credit party on many of these subjects. Therefore I wish to confine my remarks at the outset to the matter of housing.

The member who preceded me also spoke on the subject of housing. I agree with him that there is a great need for housing in Canada. I do not agree with him that the government is the best organization to build houses—for reasons which I will give in my address. We recall that a few years ago the government undertook the construction of houses under the V.L.A., and within six months after that project was concluded tremendous repairs had to be undertaken, costing the government something in the neighbourhood of $2,500,000, which had to be paid out of the public treasury. Now we have another housing scheme in operation under the National Housing Act. At the outset let me say that I am not going to condemn all these houses. Some of them are well constructed, and naturally we do not hear so much about those. We do hear a great deal about those not properly built. Even though out of a thousand houses only some fifty are not as well built as they should be, it should be remembered that the owners of those fifty houses have a legitimate complaint.

The project I want to discuss for a short time is a part of the national housing program which was carried on by the Bow River Construction Company in Calgary. I would not bring up this question on this occasion if it were not extremely urgent. The urgency arises because some forty house owners, about eighty to eighty-five per cent of whom are returned men, are about to lose everything they possess by way of savings owing to the foreclosures being carried on by the Manufacturers Life Insurance Company and the government, because the government also entered into this enterprise.

An hon. Member: Shame.

Mr. Johnston: It is a shame, as one hon. member has just indicated, because these veterans have put into their houses every cent they possess in the world, and a good share of those savings represents what they or their wives saved while they were away fighting. I am sure these men did not expect to go overseas and fight and then receive the treatment they are now getting. I do not think Canadians generally would expect that to happen. I want to read a short extract I cut out of the Calgary *Albertan* just yesterday:

> Bow River Construction Faces Second Action
>
> Central Mortgage and Housing Corporation and the Manufacturers Life Insurance have filed in supreme court their second statement of claim against the Bow River Construction Company Limited in connection with an unfinished housing project on North Hill.

The next paragraph is the important one:

> In this action Mr. and Mrs. J. F. Thomas, 801 23rd avenue N.W., who are living in the unfinished house, are named as co-defendants with the Bow River company.
>
> The claim is for $5,541.30 alleged to be owing on a mortgage on the unfinished house.

So there can be no doubt that the Manufacturers Life Insurance Company and Central Mortgage and Housing Corporation are definitely taking legal action to foreclose on these houses one at a time. This is the second instance, and eventually the mortgages on all these houses will be foreclosed, the owners being liable to lose everything they have in the world.

I want to make it clear that I am not taking part in this debate and dealing with this particular subject because I hope to obtain any political advantage. In the first place this project is not in my constituency; therefore I can get no votes whatever from it. In the second place I did not go out looking for trouble. These owners formed themselves into an organization and came to my house to see what assistance they could get. My advice to them in this case was the advice I gave a couple of years ago in connection with the V.L.A. houses in Calgary. I said we would try every possible means to get a settlement without giving any publicity at all to this concern, and in fact without any unnecessary publicity of any kind. Having that in mind, together with some of the members of the organization I visited Central Mortgage and Housing to see if we could get some satisfaction from them by way of having the houses completed according to specification, but we had no results. I visited the Manufacturers Life, with no results. I visited the Bow River Construction Company, the contractors in this case, with no results. I even wrote to both the preceding and the present minister of reconstruction, but no action was taken.

Now let me give a little of the history of this organization, so hon. members may be in a position to judge for themselves. It is not my intention to go into great detail with respect to the construction of these houses. If I can, though, I want to point out where I think responsibility lies for proper construction and who should have discharged that

responsibility. Then I want to show, with some evidence, whether or not these houses have been built in accordance with sound construction practices as outlined in the act and the agreement. When the Bow River Construction Company was first formed, under the act Central Mortgage and Housing was supposed to investigate the company to see whether or not it was in a financial position to carry out the project. That was done, according to officials of Central Mortgage and Housing in Calgary; but when I visited the contractor himself I was amazed when he told me they did not have a five-cent piece to start the work, that they began on a shoestring. The only equipment the company owned was a dragline and a used light-delivery truck belonging to one of the contractors, who at that time was running Ware's taxi, and which was turned over to the company. One of the contractors was in the hospital; the other, Mr. Orr, told me that was everything they had to start with; yet the government say that according to their information the financial position of the company was sound. When I asked a question in the house the other day as to their financial standing, this was the answer I received:

> The Bow River Construction Company of Calgary was approved as a borrower under the National Housing Act by the Manufacturers Life Insurance Company and Central Mortgage and Housing Corporation as joint mortgagees.

But of course there was no mention as to whether or not they had building experience. Under the act it is also obligatory on the part of the government to see that the men who get these contracts have experience in this field. Paragraph 4 of my question read:

> What were the qualifications of these contractors as to building experience and as to financial ability to complete the job?

They very conveniently left out the answer entirely as to the experience of these builders. They should have, Mr. Speaker, because the contractors had no building experience whatever. One of the partners in the contracting company ran a taxi business and told me he had no experience in building. The other partner in the company had only dug a few basements. Neither of them had any building experience whatever; yet a quarter of a million dollar project was entrusted to these men as builders. Do you mean to tell me, Mr. Speaker, the government handled the matter efficiently?

An hon. Member: They must have had friends at court.

Mr. Johnston: I would not be surprised if they had, although I could not prove that. When this project was started, Mr. Speaker, the Bow River Construction Company had some plans and specifications for houses. The partners in the venture had no experience and no money. They went to the Central Mortgage and Housing Corporation and the Manufacturers Life Insurance Company and said they wanted to build so many houses. Of course, the government approved the plans and specifications; but let me point out, Mr. Speaker, no one else had seen the plans. The Central Mortgage and Housing Corporation, the Manufacturers Life and the Bow River Construction Company were the only ones who had seen the plans and specifications. To the extent of 25 per cent of the mortgage, the government is a joint lender for this project. The contractors did not even have sufficient money to pay for the building permit until they received an advance from the mortgage company.

Mr. Fair: What do those permits cost?

Mr. Johnston: It depends on the type of house. So far as I am aware, the owners of the houses have not, nor has anyone else, a constructual contract with the Bow River Construction Company. Why? Because they assumed this was a government project. In advertising these houses for sale the real estate company inserted "N.H.A." in the newspaper advertisement. The impression everyone received was that this was a national housing project and that the houses would therefore be constructed according to the act. It is a peculiar thing, but I have heard the statement by government officials that, if anyone gets himself in the position of having no contract with the builder, he deserves what happens to him. It is odd, Mr. Speaker, that not one of the owners has a contract. The reason for that is, as I pointed out, that these people believed this to be a government-sponsored project and the home owners were assured they needed no further protection.

I should like to refer to the National Housing Act for a moment, particularly as it relates to the construction of these houses. At page 8 of the 1947 office consolidation of the National Housing Act, 1944, I read from subsection (b):

> A joint loan shall be made only for the purpose of assisting in the construction of a house according to sound standards approved by the corporation and under such supervision as the corporation may prescribe.

I point out to you, sir, that according to the act the loan is to be made for the purpose of assisting in the construction, and not for encouraging construction or anything else. Construction is supposed to take place under such supervision as the corporation may prescribe. Under this act the housing project is bound to be built according to sound

construction principles and under proper supervision.

May I refer for a moment to the memorandum of agreement made between the Central Mortgage and Housing Corporation and the Bow River Construction Company Limited. It says:

Whereas pursuant to the National Housing Act, 1944, the corporation may, on behalf of His Majesty, enter into contracts with builders, to encourage the construction of houses to be sold to prospective home owners.

This is an agreement between Central Mortgage and Housing Corporation and the Bow River Construction Company. According to the National Housing Act, and pursuant to the agreement between Central Mortgage and Housing Corporation and the Bow River Construction Company, these houses were to be of sound construction. As I pointed out a moment ago, the only persons who had access to the plans and specifications for this project were Central Mortgage and Housing Corporation, the Manufacturers Life Insurance Company and the Bow River Construction Company. The prospective home owners complained about not having access to the plans and specifications. I went to see Mr. Lillie of the Central Mortgage and Housing Corporation and he said he would do everything in his power to assist these men. I sent them down to the corporation's office to see if they could look at the plans and specifications. Surely that was not asking very much. Upon their arrival at the office of Central Mortgage and Housing Corporation, Mr. Lillie refused to let them see the specifications. I recall that in one house there were seventeen violations of the specifications by the Bow River Construction Company.

Let me refer once more to the agreement between Central Mortgage and Housing Corporation and the Bow River Construction Company. On page 2 the agreement says:

—and to build all of the said houses in accordance with the plans and specifications approved by the corporation, for which individual loan approvals have been granted by the corporation.

Let me repeat that:

—and to build all of the said houses in accordance with the plans and specifications—

Not one of those houses, Mr. Speaker, has been built according to the plans and specifications. When I say that, I do not mean there has been a slight variation. Some of the basements are already crumbling. The cement block footings upon which the chimney rests in some of these houses are so bad that one can reach down and pick up a whole handful of the cement. I will deal with that specifically at a later stage.

I shall refer once more to the agreement between Central Mortgage and Housing Corporation and the Bow River Construction Company. On page 3 the agreement says:

—any house which has been built by the builder under the terms of this agreement and which remains unsold; the price of such house shall be the selling price to the corporation shown in schedule A attached hereto, plus any increase in price under article 3—

Of course there is an escalator clause. Once again I point out that, under the National Housing Act, these houses were to be built according to sound construction methods; yet the government says it has no responsibility in the matter and will do nothing. If the government has no responsibility, who has? If there is no responsibility on the government to see that this project is properly carried out, who is to safeguard the use of public moneys entrusted to the Central Mortgage and Housing Corporation? If the government has no responsibility, then I am afraid public moneys are being carelessly spent.

I wish to refer for just a moment to another section of the agreement. The act says that these houses shall be sold at a certain stipulated figure. At page 10 the act says:

The builder shall offer each of the said houses for sale at a price not in excess of the price fixed in the said contract.

That is according to the act. The price is set. When these people bought their houses they paid a certain sum for each house, and apparently for a completed house. That price is set out in the agreement. In the schedule to the agreement there are set out the prices at which these houses must be sold to the owners. There is provision for the escalator clause, which amounts to only $200 or $250. The agreement also states the price at which the government will take over these houses from the builders, provided that they cannot sell them within six months after completion. But in this one particular case the price set out in the agreement was $7,150. Yet not one of these houses is being sold for the price as stated in the agreement. Who else can force the contractors to sell according to the agreement and according to the act, if it is not the government? They are the ones who stipulated the price, and they are the ones who permit the loaning company to charge a building inspector's fee to see that these houses are properly constructed. Against every loan there is a $20 charge for inspector's fee. Yet when I saw the head of the mortgage company, Mr. Lyne, he told me that they were not concerned with seeing whether or not these buildings were properly built. All they were concerned with was to see that the money which they had loaned was properly protected. Central Mortgage and Housing also have a building inspector, and they told

me his only duty is to be a policeman on the mortgage company's inspector. The city of Calgary also has a building inspector.

An hon. Member: Fleas on fleas.

Mr. Johnston: And they did not do their job either. I will refer to that matter in a minute. The act and the agreement were violated as was everything else connected with them. The houses are so poorly built that the city of Calgary has already condemned some of them, although they are not even completed.

We therefore went to the city inspectors to see what could be done in order to safeguard the interests of these owners. I was appointed to appear before the city council on behalf of these home owners, of whom there were some forty. I addressed the city council in Calgary on this subject. As a result, a great number of the aldermen of Calgary went up and inspected these houses themselves. As a consequence of their inspection and my appearing before the council, this is what happened. I had addressed the city council, not from the standpoint of Central Mortgage and Housing Corporation's lack of inspection or failure to complete this project properly, but to see why Calgary's building bylaws had not been carried out. In almost every instance there was a violation of the building bylaws. As a result of all this, the engineer for the city of Calgary wrote a letter to Central Mortgage and Housing Corporation. It is dated July 27, 1948, and reads as follows:

Central Mortgage and Housing Corporation,
214 - 5th Ave., E.,
Calgary.

Dear Sirs:

Attached hereto is a report on the piece of concrete taken from the residence at 601-25th Avenue N.W. This house is one being built by the Bow River Construction Co.

I would advise that we were not notified at the time of pouring concrete of any of the six houses in the 600 block on 24th Avenue N.W., or the six houses in the 600 block on 25th Avenue, N.W.

Under these circumstances we cannot feel responsible for the concrete in these basements.

The recommendation of this department—

I would ask you to note this, Mr. Speaker. This is on the basement, and this is the recommendation that the city engineers made to Central Mortgage and Housing Corporation on a house which had just the basement, the walls and the roof completed.

—is that an 8" concrete block wall be built on the inside of the existing foundation and carried up to the under side of the floor joists and thus support the weight of the house, or beams and posts to support the bearing walls and the main beam.

As the concrete tests definitely show an unsafe foundation would you please see that one of the above recommendations is carried out.

Yours truly,

P. Aumonier,
Building Inspector.

Can you tell me, Mr. Speaker, that this project was properly inspected by Central Mortgage and Housing Corporation or the Manufacturers Life, which is charging a $20 fee for that purpose? Here the city recommends that they build an eight-inch concrete wall inside the main foundation. What a terrible mess.

Mr. McCuaig: Was that free enterprise or socialism?

Mr. Johnston: That was government enterprise.

Mr. Fraser: That is the kind of thing you get under the C.C.F.

Mr. McCuaig: How do you know? They have never done it.

Mr. Johnston: That was a contract amounting to a quarter of a million dollars and it was government-supervised. Let there be no mistake about that. I am not saying that some of the houses under the National Housing Act and under the integrated housing plan are not good ones. It depends on the contractor. My point is that the government and Central Mortgage and Housing Corporation did not carry out their obligations under the agreement or under the National Housing Act.

The city council passed a motion, moved by Alderman Mackay, which I should like to read to the house. It is as follows:

That the commissioners be instructed to go to the Central Mortgage and Housing Corporation, the dominion government and the Manufacturers Life and urgently request that the problem affecting the Bow River Construction Company be satisfactorily answered without additional expense to the present owners and that the work be proceeded with as quickly as possible.

As I say, that motion was put to the council and was carried. I would ask you to notice the words "without additional expense to the present owners". Why was that recommendation made? Because in the agreement the price is so stated. Now the government, along with Central Mortgage and Housing Corporation, says: We will allow you sufficient increase in your mortgage to take care of any additional expense that might be incurred by you to finish those houses, to pay for the liens that have been put on there—through negligence of the Manufacturers Life, because they make progress payments and are supposed to see that the money is spent on this contract. Again they neglected to do that. As a result, in some cases liens and encumbrances registered against the title run as high as $15,000 per house. Then the Manufacturers Life has the audacity to say to an individual: We will advance you an increased loan; we will amortize your loan over a

longer period but you must pay off those encumbrances—for which they, the Manufacturers Life, were responsible.

A motion was moved by Alderman Colborne and carried. It reads as follows:

That this committee of the whole recommend to council "that the necessary bylaws of the city of Calgary be amended to provide that a bond in the amount of the full value of the contract be posted upon the granting of any building permit in excess of $1,000, such bond to be maintained for a period of one year.

When I was speaking to the council I may say that I recommended similar procedure myself.

I now want to read another letter. I am reading it even at the expense of being monotonous, to show that I am not the only one who condemns this project. I could not give a better authority than that of the city of Calgary where over one hundred thousand people are concerned about this project. This was a letter sent by Mayor J. C. Watson to Mr. C. S. Chapman, who is head of the insurance company, and Mr. A. McClaskey, who was western superintendent for Central Mortgage and Housing Corporation. It is dated December 1, 1948, and reads as follows:

The city commissioners have been instructed by the city council of Calgary to urgently request that work be proceeded with at the earliest possible time on those houses not yet completed by the Bow River Construction Company in Calgary, and that the problem be brought to a satisfactory conclusion for the present owners at no additional expense to them.

We understand that there are approximately twenty of these houses that are in various stages of incompletion at present. There are nine basements which appear to be in violation of the building by-law as well as thirteen nonapproved furnaces in which burner units must be replaced.

Incidentally some of these exploded, and the occupants were burned quite seriously.

In several houses posts are required under trimmer and main beams for adequate support. To enforce city by-laws at this time will only create a worse condition and place additional hardships on the present occupants.

The faith of many citizens has been placed in your institution to protect their interests and we feel that a corporation of your magnitude will not hesitate in rectifying the adverse conditions that now exist. The money that has already been advanced by many of these citizens represents their life savings. We feel that you have a definite moral responsibility to protect the interests of those citizens.

It has been drawn to our attention that there are not sufficient funds withheld from the contractor to satisfactorily complete the houses. In view of the fact that you had inspectors on the work to safeguard the financial part of the program, for which the individual owner is being charged a fee, we cannot understand your attitude in not following up this responsibility and completing the homes as speedily as possible.

We are given to understand that certain individuals have been able to take over these houses and finish them at their own expense, while others may agree to the completion of the house by permitting an increase in the mortgage. If this is so we feel it is an injustice to the individual and that the original mortgage or arrangement should be followed.

On behalf of the citizens concerned your earliest possible solution is requested.

Yours very truly,

J. C. Watson,
Mayor.

I want to read one more letter before I conclude. It seems very significant, Mr. Speaker, that a corporation the size of the city of Calgary would take such an interest in this matter as to direct their correspondence to those concerned. I hold in my hand a letter dated December 1, 1948, addressed to the Hon. Douglas Abbott, P.C., Minister of Finance, Ottawa, which reads as follows:

Dear Mr. Abbott:

Some time ago a number of Calgary residents entered into a contract with Central Mortgage and Housing Corporation and the Manufacturers Life Insurance Company for the construction of homes under the national housing plan. The contract for the construction of these houses was let to the Bow River Construction Company of Calgary, which has since gone out of business through financial difficulties and the work on the houses has ceased.

Construction to date is of poor quality, and I understand there are not sufficient funds left on the mortgages to complete the houses and make them habitable.

The matter has been before our city council on several occasions, and efforts have been made to have C.M.H.C. and the Manufacturers Life Insurance Company complete these homes, which are badly needed.

In this connection, I am enclosing copy of a letter which I have today forwarded to Central Mortgage and Housing Corporation and to the western supervisor of the Manufacturers Life Insurance Company, which is self-explanatory.

We are of the opinion that the citizens concerned are entitled to every consideration and that the houses should be completed at the earliest possible date according to the original contract. Further, as C.M.H.C. is a dominion government corporation, it is the opinion of our council that the dominion government has some responsibility to see that the unfortunate purchasers of these houses are protected and that the houses are completed as soon as possible.

Any assistance you can render in persuading C.M.H.C. and the Manufacturers Life Insurance Company to assume what is at least their moral obligation to see that these homes are completed at an early date will be appreciated.

Yours very truly,

J. C. Watson,
Mayor.

I have a great deal of proof, Mr. Speaker. I have extracts and photographs taken by the Calgary *Herald*, by the *Albertan* and by the *Financial Post*, which all go to prove the very thing about which I have been speaking; therefore it is not my personal opinion. Before I conclude my remarks I want to read one more letter to show that this difficulty is not confined only to the city of Calgary. Under the national housing plan these difficulties are prevalent all across the country. They are

found in Halifax, Winnipeg, Vancouver, Calgary and at other points. A letter appeared in the *Legionary*, the voice of the Canadian legion, of January 1949, which reads as follows:

A timely warning

Editor, the *Legionary*:

The legion in Halifax is anxious to make inquiries regarding certain cases where veterans have endeavoured to purchase homes under the integrated housing plan operated by the government-sponsored Central Mortgage and Housing Corporation.

From the enclosed photo and cutlines (published on this page.—Ed.) you can see that instances have occurred in this city in which the veterans concerned may lose large sums of money—money deposited as a down payment for a home.

We ask the *Legionary* to draw attention to the matter so that if similar cases have occurred across Canada, other legion branches can bring the matter to the attention of the dominion government as we have done.

The Halifax district council of the Canadian legion has requested the Prime Minister to make an investigation into the matter in order that the veterans will not lose the thousands of dollars which they have paid out towards their new homes.

S. Thomas, President, Halifax district council, Canadian legion, Halifax, N.S.

This is not a problem peculiar to the city of Calgary, Mr. Speaker; it is a problem which is peculiar to the housing project. Let me emphasize that the same difficulties arose when the government was building houses in Calgary under the V.L.A. In almost every instance it is caused by negligence on the part of the government or the Manufacturers Life in not seeing that proper building inspection was carried out. Every one of the men concerned was charged a $20 inspection fee. When you multiply that by forty houses it amounts to a fairly substantial inspection fee which was charged to these home owners, yet the inspection was not properly carried out. It is a shocking scandal, Mr. Speaker. This would not have happened had the Central Mortgage and Housing Corporation and the Manufacturers Life taken the proper precaution which was their responsibility under the act and under the agreement which they signed. They have now decided to foreclose on these people, who had no say whatever in the choice of a contractor. They were poor contractors; in fact, they were not contractors at all. They had no money and they had no experience. In the face of that the government say that they are going to wash their hands of the whole thing and let the owner take the blame. Had proper precautions been taken, this situation would never have arisen. I say to you, Mr. Speaker, that the government is not only morally but legally responsible under the act to see that these men do not lose their life savings. Surely they did not go overseas to fight for free enterprise in this country and to protect the Manufacturers Life, only to be treated in this way. Surely they did not go overseas to fight for the Manufacturers Life and then come back and be bled of the very last cent they have saved. If that is to be the justice handed out to our returned men, then I am afraid that this government will find it a difficult job to get men to fight in another war.

I trust that the government will take this warning and see that these men who have their life savings invested in these houses will get the proper protection immediately, because the foreclosure proceedings are now in progress.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at seven-thirty o'clock.

(Translation):

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, since the very outset of the debate on the address in reply, I have heard the hon. leader of the opposition (Mr. Drew) and several members of the various parties in this house complain, and rightfully, about the income tax, ask that it be drastically reduced and, in some cases, abolished altogether, to be replaced by other forms of revenue.

I fully agree with them. However, if I recall for a moment September 1939, I find that most of those who thunder forth against the Income Tax Act, are the same who voted for the declaration of war, who required our participation and who, during the war, considered that the government was never doing enough. What inconsequence and what a colossal joke! For if today our taxes are astronomical, is it not due to our participation in the last war?

In September 1939, after consulting my electors at a large public meeting held at Loretteville, chief town of my constituency, I voted against the declaration of war. In doing so, I warned my colleagues of what is now happening. I insisted that we limit our contribution to material production, stressing that we had a population of barely eleven million, although our territory was as large as that of Europe. We could have followed the example of Ireland and Switzerland. At

the end of the conflict we would have been free from the huge war debt that now weighs upon us and that we are required to pay by way of taxes. I told the house that the declaration of war would inevitably bring about conscription and taxes which the Canadian people would be unable to pay.

Everyone will remember, I am sure, the imperialistic statements of the present leader of the opposition who called vehemently for increasingly active participation and asked that conscription be applied as soon as war was declared. In his imperialistic indignation, he accused Quebec of isolationism, as can be seen from the following excerpt taken from the Montreal *Star* of August 10, 1944, which reported him as saying, and I quote:

The time has come for the people of this and every other province in Canada to say that Quebec is not going to receive a preferred treatment while it refuses to bear its full share of the burden of war.

In the next declaration, he only reaffirmed the hatred he had already expressed towards my fellow citizens. After my people had requested fair representation in the dominion civil service, he stated, according to the Toronto *Star* of November 27, 1936, that it is not unfair to recall to French Canadians that they are a conquered people and that their rights exist only because of the tolerance shown by the English-speaking community which, though it respects the minority group, must still be considered as the dominant race.

Still later, in an attempt to stem the ever increasing influence wielded by my fellow citizens in this country which belongs to us from the Atlantic to the Pacific, he stated, according to the September 30, 1944, issue of a London publication, *Everybody's Weekly*, that: I want people of British stock for Ontario. We can receive thousands and thousands of your people. The only thing that can contain the growing French-Canadian pressure is a powerful Ontario, peopled with Britishers.

Furthermore, at a time when a few friends and I were battling in Quebec to ask the people to answer "no" in the plebiscite, he made the following statement, as reported in the Montreal *Star* of August 10, 1944. I quote:

Prime Minister Drew asks: "Are we going to permit one isolationist province to dominate the destiny of a divided Canada?" He hopes that every one of you will answer by "a resounding 'no', which will be heard in every part of the province of Quebec".

And furthermore, when the Liberal party sought to help the large families of this country to obtain the necessities of life, by means of generous family allowances, he made the following statement concerning my province, as reported in the Toronto *Globe and Mail* of August 10, 1944, and I quote:

But I assure you that the government of Ontario intends to do everything within its power to make sure that this iniquitous bill (Family Allowances Act) does not go into effect. It is not this bill alone but the whole principle involved that we intend to resist.

Allow me, Mr. Speaker, having quoted these statements by the leader of the opposition, to say to his face here, in the House of Commons, that the province of Quebec's motto is "I remember", and that in spite of his purchased propaganda in Quebec newspapers that seek to set him up as a friend of French Canadians, an advocate of family allowances, etc., I have never known, in all my political career, an actor with such gall, obviously inclined to think that my fellow-Quebeckers are fools. No, Mr. Speaker, despite the paid advertisements currently appearing in Quebec dailies, to create the impression that Mr. Drew will be the saviour of the French Canadians, despite those advertisements which amount to a big joke, the province of Quebec will never forget that before the hon. leader of the opposition became the leader of the Conservative party in Ottawa my compatriots never had a worse enemy here in Canada. So much did they consider him public enemy No. 1 that, in the last federal election, in 1945, fifteen days after he had been elected as Prime Minister of Ontario, the people of my province, fearing that his ever-growing influence with the Conservative party, and even his election as Prime Minister of Ontario, would return the Conservative party to power, the people of my province, I say, voted as one man to prevent Drew's influence from dominating in Ottawa.

The people of Quebec will also recall that during the last provincial election in Ontario, the leader of the opposition promised my fellow citizens of that province that he would settle the Catholic school problem. Instead of doing so, however, he eagerly extricated himself from his administrative responsibilities in Ontario to seek refuge in Ottawa where he took over the duties of leader of the opposition, leaving to someone else the task of settling nothing at all.

Now, there are those who would once again catch unawares my honest thinking fellow citizens by telling them tales that completely discountenance the political record of the leader of the opposition. No, Mr. Speaker,

the citizens of Quebec will have none of this man who, I repeat, stated in London, on September 30, 1944, that he wanted people of British stock for Ontario and that we could absorb thousands and thousands of their people. He added that only a powerful Ontario, peopled with Britishers, could contain the growing French-Canadian pressure —who has wanted, as I said, through his attitude in favour of mass immigration, to make himself the spokesman of those who, in this country, are constantly endeavouring, by shady means, to prevent the spread of France's beautiful language and thus break the unity that is so indispensable to this country, forgetting, in their unbounded hatred for the French language, the truths strikingly expressed by a poet who, referring to that language, wrote verses which may be rendered as follows:

Whoever tries to stop its expansion might as well endeavour to prevent the opening of buds and the blooming of roses; whoever would attempt to destroy its charm and its power could more easily suppress the beams of dawn.

Mr. Speaker, let me remind the leader of the opposition (Mr. Drew) that the present Prime Minister (Mr. St. Laurent) will never be heard making in the province of Quebec statements he would not repeat in the English-speaking provinces of Canada. Everyone recognizes his frankness and his sincerity.

The right hon. the Prime Minister was not a member of this house when war was declared, but I am sure that if he had voted for the declaration of war, he would at least have had the frankness to tell the people of his country that conscription was an unavoidable consequence, as I stated myself when, in September 1939, I voted against the declaration of war.

I never believed in moderate war, because everyone knows that when two nations or two individuals are fighting, if one of them slows down, he is knocked down. And I blame all those who, whatever their party, have lead the population to believe otherwise.

Probably following this school of thought and wishing others to forget entirely his political past, the leader of the opposition, since he became head of the Conservative party, has shown eagerness to adopt that same strategy towards the province of Quebec.

May I remind the leader of the opposition that in this country there is no victor nor vanquished but solely Canadians who deserve to be treated as such and on a basis of equality, as the right hon. the Prime Minister said recently.

I fought against the war policy of the former leader of the government, sometimes violently, and I have no regrets about it, because I am convinced that it prevented some excesses and at least enabled conscription to be delayed until the end of the war. It is true I voted against all gifts and loans to England, because I then thought, just as I do today, that instead of giving our money to England to buy our products, it was more advisable to distribute this money among our own people so as to enable them, in a period of abundance, to obtain what they cannot get, for want of financial resources. As a matter of fact, Mr. Speaker, I think it is preferable that the balance between the production consumed in Canada and our total production, that is our surplus production, be distributed to agricultural and industrial workers and to each citizen in the form of allowances, of old age pensions at sixty-five, of dividends or any other form of social security which would thus allow them to obtain a legitimate share of the profits of industry, where they are gradually being replaced by machines. The allowances would enable them to obtain goods which only monopolists can get in a country where public wealth is so badly apportioned.

I believe it would be more advisable to follow the policy just stated than to give money to England for the purchase of our surplus production, so that this surplus may be distributed among the suffering people who need it. The more we contribute, through social security, to increase the purchasing power of our great working and agricultural masses, the surer we will be that our production will be consumed at home.

Now, Mr. Speaker, I would like to express an opinion with regard to the income tax.

I believe it is urgent and necessary to grant full income tax exemptions to the wage-earner getting $3,000 a year, if married, and $1,500, if single. Why? Because the wage-earner has carried practically alone the income tax burden during and since the war. He is the only one to pay on 100 per cent of his income. Companies and big-business men avoid a large part of the income tax through the following means:

Inventories: the classical and safe enough means of reducing the visible profits (by decreasing the value of stocks on hand at the end of the financial year).

Expenses: everything is charged to that account, personal expenses, traveling expenses, representation expenses and a lot of improvements and repairs which, in the end, reduce the profits and increase the assets.

Fictitious transactions: Large amounts are apparently paid out to people who do not exist. One can guess who gets that money in the end.

Subsidiaries: The working of the subsidiaries, by dividing the profits, is singularly beneficial to the corporations who create them. Everyone is aware that the tax rate increases with the profits.

This is where "capital gains" come in. Corporations find a way to conceal their profits by capitalizing them as shares, which are exchanged between the parent company and the subsidiaries; thus huge profits are undisclosed and converted into capitalization.

As a result, those who are able to pay do not pay. That, Mr. Speaker, is the game of Toronto's two hundred millionaires, those very people who have asked the hon. leader of the opposition to come to Ottawa to protect them because, since a year ago, the government is making them repay what they did not pay and also, because they expect a budget that will protect the little men and make the big fellow shell out. That is the reason why these distraught millionaires subscribe so generously to the electoral fund of the Progressive Conservatives, thus making possible this splurge of paid and mendacious publicity we can read in the newspapers and that explains the request in the hon. leader of the opposition's last speech that elections take place immediately, even before the budget is brought down.

In view of this, for the reasons I have just given, Mr. Speaker, I shall gladly lose no time in voting against the amendment of the leader of the opposition, for I have not the slightest intention to put him in power as I am convinced that the wage-earner's lot would be a sorry one if, heaven forbid, the next budget were to be prepared by the Progressive Conservatives.

(Text):

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, I am not going to comment on the speech of the hon. gentleman who has just finished, except to say that from what I understood he was not only jealous of the ability and leadership of the leader of His Majesty's loyal opposition (Mr. Drew)—

Mr. LaCroix: I do not think anybody is jealous of him.

Mr. Fraser: —but he was also afraid.

Mr. Graydon: That is the word.

[Mr. LaCroix.]

Mr. LaCroix: Afraid of what?

Mr. Fraser: That when the next election comes along his party is certainly going to be defeated.

Mr. MacKinnon: Wishful thinking.

Mr. Fraser: I not only say that, but I will put it down in writing if the hon. gentleman would like to have it in writing in order to see it. I should like to take this opportunity to congratulate the leader of His Majesty's loyal opposition on his election to the house. At the same time I should like to congratulate the people of Canada, and Canada itself, on having a leader of the opposition with the ability and statesmanship possessed by the member for Carleton. At this time I should also like to congratulate the mover (Mr. Brown) and seconder (Mr. Demers) of the address in reply to the speech from the throne on their selection for that honour, which comes to very few members of this house and which I am sure these hon. gentlemen will remember as long as they live.

This year, as in all the years I have been a member of this house, the speech from the throne contains a number of words. Whether or not these words will mean anything we do not know, but we hope they will. In past years they have not, but this being an election year there is a possibility that this government will show a little action and try to carry out some of their promises. One thing mentioned in the throne speech is of the greatest importance to everyone in Canada. This is the reference: "The St. Lawrence power and navigation development is to be brought before parliament this session." In my opinion the sooner this matter is brought before parliament the better for Canada; and the sooner ways and means are found to develop this project the better it will be for everyone, because the St. Lawrence waterway will benefit every man, woman and child in Canada no matter where they live. I know it will benefit Peterborough, the city I represent. Peterborough is often called the electrical city, or the city beautiful. There we have the finest electric-wire mill on the continent, where wire can be made ranging from six inches or more in diameter down to less than the thickness of a human hair. We also have plants capable of making generators as large as those made in any country in the world. One of the largest of those generators would more than fill this chamber. After they are built in that plant they are taken apart in sections small enough to fit on flat cars; and some of these generators will require an entire train to transport them to their destination. We expect that Peterborough will get some of the construction work incidental to

the development of the St. Lawrence waterway. In order that parliament may better understand this project, I feel that a committee of the house should be set up to go into the plans and details, because I do not believe many hon. members have been up and down the shores of the St. Lawrence, into and out of the various channels and harbours, through the rapids and so on. Some have, but very few; and I feel that every hon. member should be one hundred per cent behind this undertaking.

The speech from the throne also says approval will be asked for the renewal of controls. I am not going into that matter because it is the subject of a debate at the present time, but there are many administrative bugs in connection with these controls which could and should be ironed out. These are matters which at present are worrying and inconveniencing businessmen from coast to coast. If an individual or a company finds that a machine is broken down and needs a small repair part which must be imported from the United States, no matter whether that man or concern is located in British Columbia, Yukon or Newfoundland, after Newfoundland is taken into confederation, permission must be obtained from Ottawa to import the necessary part. That is so whether the article costs fifty cents, a dollar or a hundred dollars. It causes weeks of delay, and in some cases the loss of many man-hours of work. I believe those in charge of this department should give a businessman or a business concern a permit to bring in perhaps $25 or $100 worth of repair parts without having to apply to Ottawa. Let the collector of customs at the port through which the article must enter look after the details. I am sure this would save a great deal of time, not only to business people across Canada but also to those administering these controls.

The speech from the throne also mentions that the government is going to give assistance to the production of steel. This is really sound in principle, and I hope it is carried out. You know, Mr. Speaker, on more than one occasion in this house I have risen and asked the Minister of Trade and Commerce (Mr. Howe) where we are going to get the nails with which to put up houses for the veterans. I have had remarks directed at me from the other side of the house; I have had wires, phone calls and letters from all across the country, showing that this condition exists from coast to coast. Last year the minister said my riding evidently was not on the nail pipe line. I quite agree; I think the pipe line took a detour there. But I do not know of any other places in Ontario that are on the pipe line, and if the minister knows I would like him to tell us. Nails can be had, but you must pay a bootleg price of 20 cents a pound. Throughout the country reliable hardware men object to selling nails at more than the proper price. They are trying to sell them at ten and twelve cents. They will not go into the bootleg market, and I do not blame them. Two, three and four inch nails cannot be had except under priority, as I told the Minister of Trade and Commerce the other day. The farmer is unable to get them, and the builder cannot get them except with a priority. There are none for the little fellow; none for the man trying to repair his own home. I believe building in this country would go ahead faster if some of these priorities were kicked out, because they are not given in the right way.

Then last year we were short of cement. It is plentiful right now, but it will be in short supply again during the spring, summer and fall of this year. It was almost impossible to get cement last year except under priority. We had United States cement coming in. At first it sold at about 95 cents a bag. Then it started to climb up to $1.10, to $1.20, to $1.40, to $1.50 and on up to $2.60.

Mr. Murphy: $2.90.

Mr. Fraser: I hear $2.90 bid. The socialist party to my left talk about free enterprise and try to ridicule it, but there was a C.C.F. trucker just outside my riding selling cement at $2.60. I do not know what kind of enterprise you call that, but he certainly was gouging the poor old veteran.

Mr. McCuaig: When in Rome do as the Romans do.

Mr. Fraser: If that is the policy of the C.C.F. party, God help Canada should they come to power.

Speaking of building materials, Mr. Speaker, I should like to mention the Central Mortgage and Housing Corporation. Before the recess the member for Bow River spoke about this matter. At the present time, houses are needed in every part of Canada. There is a desperate shortage, and has been for some time. Throughout Canada this is causing hardships and heartaches for many people who have to suffer because there are five or six persons in one or two rooms. The shortage of houses has been the cause of family trouble, court action and sickness. I know that everyone is anxious to see more homes built.

I know that you, Mr. Speaker, have heard reports on the radio and seen reports in the newspapers about landlords being brought into court and even getting jail sentences for attempting to charge a higher rental than that permitted by the wartime prices and

trade board. These landlords should of course be fined and, if the evidence warrants it, even go to jail. But the Central Mortgage and Housing Corporation are in what is called a privileged or protected class. They impose the same kind of squeeze, only a little different from those cases we see reported in the newspapers. I will give you an idea of what they do.

A veteran returns from the last war and, perhaps, has to take his wife and children to live with his parents. Owing to the crowded conditions, the veteran is anxious to get a home of his own. Eventually, he does get a wartime house. These houses are comfortable, although very poorly built. The veteran stays in the wartime house two, three or four years. At that time he receives a letter from the Central Mortgage and Housing Corporation asking him if he would like one of the corporation's brick houses. The veteran indicates that is just what he wants. He goes to the Central Mortgage and Housing Corporation and they say, "Why, certainly, you can have one of these houses." After looking at the house he goes back to the office to sign the agreement, and what does Central Mortgage Corporation say? This is where the squeeze operates. The veteran is told, "You can have that house, but you have been living in one of our wartime houses, so you will have to fix up that wartime house. You will have to pay one-half the cost of putting that house in first-class shape for the next tenant." This might amount to $25, $50 or $100. The veteran is then allowed to have the other house. Now is that not putting on the squeeze? I think so, and the veterans do too.

The excuse given by Central Mortgage and Housing Corporation for this procedure is that, if the veteran moves out of that house and the corporation allows another tenant to occupy it, the corporation will have to pay the full cost of renovating it. If the veteran remained in occupation, the corporation would be put to no expense. In most cases these veterans have made their own repairs.

Personally, I feel that the Central Mortgage and Housing Corporation has put blinkers on all its inspectors, but instead of putting the blinkers on the side, as one does for horses, it has put them right in front of the inspector's eyes. The hon. member for Bow River (Mr. Johnston) mentioned the inspectors, but I hope the inspection service in his constituency is better than it is in Peterborough. In Peterborough chimneys have been built by putting a tile pipe at the top and a tile pipe at the bottom, the intervening space being covered with tin. After the tin rots the fumes from the furnace seep through the house. This is not an approved practice, according to the municipal regulations or the building code. It is criminal for an inspector to permit anything like that. If he does, he should be put in jail. Not only that, but the Central Mortgage and Housing Corporation has been getting away with murder in connection with sewers, plumbing and other things by not complying with municipal regulations.

The question most veterans want answered is, who is going to pay for having these things corrected? The Central Mortgage and Housing Corporation has a set figure for repairs on these wartime houses. The corporation will not go out to repair anything until $2.50 is charged for the man going out. On top of that, there are the charges for the repair work. I remember one instance of the corporation charging four dollars for repairing a pane of glass about twenty inches by fifteen inches.

I have asked in this house a question about the protection afforded these veterans when they buy a house under the government plan. The question that is being asked is, what protection have the veterans if there is a slump or sickness and they cannot make their payments? Will the veteran be allowed a fair equity in his home? This is worrying these veterans, and rightly so. I feel something could be done about that, and this government should do it.

In the speech from the throne there is mention of a transcontinental highway. It says:

> A measure for assistance in the provision of a transcontinental highway will also be laid before you.

Pay attention to that word "laid". If this government had been awake, the pavement would be laid today. It would not be just a measure that is going to be laid on the table of the house. Every year this highway is delayed, Canada is losing millions of dollars in tourist business. I mentioned this last year and I mentioned it the year before. According to reports I have received, the United States has ten transcontinental highways, while Canada has none. I just wonder, Mr. Speaker, whether the defence department has been asleep for the past ten years —or has it been the government? If you ask anyone on the street he will tell you that is not the sixty-four dollar question because there is only one answer to it and that is yes.

The plans for this transcontinental highway should be complete by now and provision should be made for other highways, not only for tourist purposes but for transport and military purposes as well. If a transcontinental highway were completed our tourist bureau would be able to do a little more

advertising. The bureau could tell the Britishers or the people on the other side of the Atlantic that they could see Canada from the comfort of their own car. As I have said, the speech from the throne mentions this transcontinental highway. But, as far back as March 24 of last year, this government had no more idea of planning for a trans-Canada highway than Donald Duck.

On March 24 of last year I asked the Minister of Reconstruction and Supply about the transcontinental highway. From page 2595 of *Hansard* I read the following answer by the minister:

> All things in their time. At the present time manpower in Canada is being used to the full in other ways. As soon as we have surplus manpower we shall certainly undertake that.

I said:

> I am suggesting that the government should now have a plan, with the different provinces, in deciding where the highway will go. Then, when we have plenty of manpower and materials, let the road be built. But that plan should be drawn up now.
>
> Mr. Howe: I think there is a lot in what you say.

The government never woke up until the day it was mentioned in the speech from the throne. With Newfoundland coming into Canada as the tenth province, there is all the more reason why this highway should be built and why the spanning of the Canso gut should be an accomplished fact. These things should be done right away, not fifty years from now, because they mean so much in case we have another war; and no one knows what will happen tomorrow.

I believe that a committee of this house should be set up to study not only the St. Lawrence waterway project and this highway, but also the tourist business. I believe this parliament should be more conversant with what should and must be done; and in my opinion the sooner these committees are set up, the better it will be for everyone concerned.

I should like to say one more thing about the highway. I believe it should be uniform in construction. It should be supervised by the provinces under one general, all-Canadian plan. It must be an all-weather highway and should retain its natural beauty. Trees should be left along the highway from coast to coast. There should be no cutting of trees except by permit. Trees along the highway will be blown down or will fall down soon enough, and new trees will need to be planted.

Mr. Knowles: And no billboards.

Mr. Fraser: The hon. gentleman is perfectly right. There should be no unsightly billboards to act as eyesores. We have too many of them in the country now. Forest conservation is mentioned in the throne speech. But even before the war this government was not practising it at all. Out of an appropriation in 1940 of over $240,000, I believe it was spending only about $45,000 on the planting of trees. Something must be done. This highway should be all planned out now, as should this conservation program; because if a slump should come—and it will come—projects of this kind will take up the slack.

Another reason for the building of the highway is the fact that every year we are losing trade to central and south America. People are going down to Mexico. We could have them here just as well as not. I know that you, Mr. Speaker, have been in Mexico. I have been down there too. It is a beautiful country. But why not let those dollars come up here? There is another reason, also. I should perhaps mention this when we are on foreign exchange control, but I will do it now. In my opinion the foreign exchange control board is hindering pleasure across this Canada of ours. We spend hundreds of thousands of dollars in advertising, asking tourists to come here and asking our own Canadian citizens to travel from coast to coast. But when a Canadian tries to travel across the country and finds that, in order to be assured of decent roads, he must detour into the United States, what happens? If he has over $25 in Canadian funds—or whatever his H-form calls for, if he has one—the official at the border will take away any extra Canadian funds he has. I know of a man who had travelers' cheques which had stamped right on them the words "good only in the Dominion of Canada." The government officials took the money away from him and sent it back to his home. The man was obliged to curtail his whole trip owing to fool regulations by that department. But, Mr. Speaker, they perhaps saved in that way a dollar or a couple of dollars in foreign exchange. I used the term "fool regulations." Yet that same foreign exchange control board issues permits, involving thousands and thousands of dollars, for the importation into Canada of anti-freeze which is injurious to any water-cooled automobile engine. That fact was found out and publicized in the papers from coast to coast. Thousands of dollars' worth of anti-freeze of that type was brought in here. It should have been inspected first. What are the inspectors for?

I know that this house would not be satisfied unless I spoke about something to which I always refer, and which I have criticized. Three years ago I called it a white elephant. Last year I called it a herd of white elephants. This year I shall talk about only one of those white elephants, one of the herd.

Before doing so, however, I should just like to say that the throne speech mentions the fact that a royal commission is to be set up to examine into their activities, and in my opinion it is about time some of them were examined into. In commenting on the throne speech the Prime Minister (Mr. St. Laurent) said that some time ago he had seen a film which greatly impressed him. I am pleased to hear that. I am pleased to hear that the national film board films are improving. I have heard that suggestion from other sources. Do you not think, Mr. Speaker, that my criticism of that outfit is worth while if we get better films? That is my objective. No one in this parliament enjoys more than I do seeing motion pictures, taking them, or showing them; but I want them to be good pictures. I want them to have educational value and to be worth while. As a matter of fact, as long as I can see that they are improving, I am satisfied. But if they do not keep on improving, I intend to do a great deal of criticizing.

I feel, however, that the financial picture of this national film board is not a real one. They do not give the true picture of the set-up. The taxpayer is not getting value for his money. If a royal commission is set up, I am afraid hon. members in the house will be prevented from asking questions about the film board. I hope that is not so; but you know, Mr. Speaker, that in the past, whenever a royal commission or a committee was set up, we were just out of luck.

The situation in the United States, with regard to their film unit, is quite different from the one here. In the United States the various government departments have documentary films made. The making of the films is turned over to commercial companies. There is no overhead to the government. The pictures are made by these commercial companies, and they are generally satisfactory because these companies have not only real motion picture producers but their own engineers, the best that can be obtained, and their own technicians. They really do a good job. Here in this country we just have a motion picture board without any direction at all. No one knows just what is the set-up. Our system of control of film production is under a socialistic policy. It curtails expansion of the motion picture industry. In this country a motion picture firm is afraid to expand because it does not know what might happen the next day. Curtailments might be put on such as the Canadian Broadcasting Corporation has put on radio. In Canada we have three motion picture firms and they are all trying to do a good job. They are doing a good job. They make splendid pictures in spite of the fact that they have opposition from the national film board, which is financed out of the taxpayers' money.

Among this herd of white elephants there is one about which I am going to speak tonight. I refer to the stills department of the national film board. This department is injuring every commercial photographer and every press photographer in Canada. Many veterans were taught their trade in the navy, army and the air force. They have come back and have started in business, but the national film board tries to take their business away from them and is succeeding. I have letters from veterans. Here is one from a veteran who said:

> However, I prefer to work on my own, even though the going is a bit hard at times. All I and the others in my profession want is a chance to earn an honest living. We didn't go overseas in the recent war to assure us of a handout, but we did believe that in serving this country we would assure the Canadian way of life in regard to earning a living. But it is hard, nay, almost impossible to sell a thing when another chap is giving it away.

That is exactly what the national film board is doing with portraits and photographs of all kinds. I hold in my hand another letter from a veteran, which reads in part as follows:

> Each year the national film board takes business away from the commercial photographers. After taking a series of pictures in an industrial plant, they give a set to the management "courtesy of the taxpayer of Canada".

It is not right, Mr. Speaker. I have another letter which reads in part as follows:

> The fact that the national film board is actually subsidized by all commercial photographers, through their taxes, is a point which is overlooked by many persons. This subsidization, of course, allows the national film board to turn out photographs at prices which no commercial studio, privately owned, could ever hope to meet. This eventually will mean ruin for many photographers, and certainly will not help the country as a whole in these times of readjustment.

A return was tabled in answer to a question of mine on February 3. This return showed that 167,854 photographs were turned out by the national film board; that is, ordinary photographs. They might be photographs of members of parliament or of people on the street, in different parts of Canada. That means that the national film board took almost 500 photographs every day, including Saturdays, Sundays and holidays. They certainly are making inroads on the commercial photographer. They even made photographs six and a half feet wide by twelve feet long. Your guess is as good as mine, Mr. Speaker, as to whose photographs these were. I will not go any further than that. They made photographs eight by ten to the number of 29,139, and sold them at thirty-five cents each. You could not get the photographic material for that amount. They sold another 18,454

at fifty cents each. They have even gone into the developing of rolls of film and charged twenty cents a roll for that work. They made 129 portraits last year. They made 166 passport photographs. That is all right if they are for government officials; but would it not be a whole lot cheaper if these government officials were permitted to go to a commercial photographer and have their passport pictures taken, which would cost the government $2 or $3 each. It would be a whole lot better.

I hold in my hand another return of the stills department of the national film board. Last year this division cost the taxpayers of Canada $55,152 in salaries. Materials cost $24,826 and $2,206.50. They have five telephones in their offices. They occupy 4,742 square feet of space on Sparks street, the busiest street in Ottawa. Their traveling and hotel expenses amounted to $4,287.17 and $6,476. Salaries and materials amounted to almost $93,000. That does not include the telephones which are paid for by the public works department. It does not include the 4,742 square feet of space which is also paid for by the public works department. It does not include long distance calls, cost of stationery and management, if there is any management, and I have my doubts on that. It is like Paddy's pig; it runs where it likes, feeds in the taxpayer's pocket all the time. These extra costs, including the floor space and one thing and another, would add up to more than $100,000, and this $100,000 is not authorized by the National Film Board Act, which was enacted in 1939. You cannot find anything in that act to authorize the stills department unless you stretch your imagination, Mr. Speaker, as long as the elephant's trunk.

I can see that you are ready, Mr. Speaker, to tell me that my time is exhausted. The poor taxpayer does not like extravagance of this kind. I believe the time has come for the taxpayer to rise and demand an investigation into the national film board, especially the stills department, because it certainly is stepping on the taxpayer. In 1939 Mr. Euler, who was minister at that time, said:

> I may add, in conclusion, that this board is not being established with the intention of providing jobs for anybody.

Goodness knows how many are there now. There were seven hundred and some odd there last year. Mr. Euler continued:

> There is really to be only one paid man in the organization.

Mr. Speaker: I am sorry to interrupt the hon. gentleman, but he has exhausted his time.

Mr. Fraser: Thank you, Mr. Speaker. Mr. Euler goes on:

> That has not been considered.

Mr. Speaker: Order. I do not wish to interrupt the hon. member but I should like to know whether he has the unanimous consent of the house to continue.

Some hon. Members: Go ahead.

Mr. Knowles: Two minutes.

Mr. Fraser: Mr. Euler continued:

> That has not been considered. But the only other paid official might be a clerk or stenographer. It is not a board or organization that is going to require the expenditure of a great deal of public money.

But in this Grierson report for the year 1939—I have his report here, but because of a shortage of time I shall not read it—it says they want only $80,000. I do feel that this national film board should be investigated.

The socialist party to my left has been lauding New Zealand, and the government of that country, both in the house and in election campaigns. I notice in a press report however that the premier of that country is asking that the New Zealand film board be investigated. They have communists in there —and I am not saying whether we have them or not. I do know however that there was a question I put on the order paper a couple of years ago regarding a certain party, and at that time I asked the question, "Are there any known communists in the film board?" A week after that, this person was fired, thank goodness. How many more there are, I do not know.

An hon. Member: Time.

Mr. Fraser: If the hon. member wishes me to sit down, I will do so.

Mr. Fournier (Hull): Go ahead.

Mr. William Bryce (Selkirk): Mr. Speaker, just before I rose, the hon. member for Humboldt (Mr. Burton), who sits to my left, reminded me that the Humboldt high school curling team won the Canadian high school curling championship yesterday at Edmonton. To do that they had to beat a Manitoba team. We in Manitoba are good losers, and I congratulate the Humboldt high school curling team and wish them every success in the future; but let them watch for Manitoba the next time.

I wish this evening to speak about a few matters brought to my attention by my constituents. I see the Minister of Agriculture (Mr. Gardiner) is in the house. He had something to say about me the other evening, in

connection with Liberalism. While I had not intended to say anything about this matter, as he is now in his seat I believe I shall do so. He speaks about the Liberal party as a reform party—and I must say I do enjoy those speeches of his, even though I am not a Liberal.

Mr. Mitchell: A pretty good Liberal.

Mr. Bryce: I was raised in the same school as he was. Perhaps when he was listening to Sir Wilfrid Laurier I was listening to Lloyd George. I had the pleasure of meeting Lloyd George on a number of occasions. But the Liberal party the Minister of Agriculture talks about is no more the Liberal party we had when we were boys than night is day. It is entirely different. In those days the Liberal party was known as a party of reform.

Mr. MacNicol: In the old days, not these days.

Mr. Bryce: It was known as the political group which championed the less fortunate and underprivileged. Those were the times of Pitt, Bright and Gladstone and, in my own time, Lloyd George. Theirs was a continuous struggle against reaction of every kind.

But what do we find today? The Liberal party has changed. More and more it is legislating for the more privileged group. Less and less it is legislating for the poor generally.

An hon. Member: No.

Mr. Bryce: Oh yes. And I am going to prove it to you.

Mr. Grant: What about family allowances? What about old age pensions?

Mr. Bryce: I hope my hon. friend from Prince Edward Island is going to give me a chance to speak. I have been tempted many times to interject when he has been speaking, because he says so many things that are not just according to Hoyle, one might say.

Let us look at the record. One of the first taxes to be removed was the excess profits tax. That was not looking after the poor people. From that source $277 million was collected last year. Why did not the government take it off a little at a time? Instead of doing that, it made a clean sweep of taking it off—to help big business.

Let us look at the plight of the old age pensioner. Pensions have never been large enough. But when people are earning wages they even find it hard to make ends meet these days. Our old citizens are getting $30 a month. The Winnipeg *Tribune* has published a series of articles on the plight of some of these old age pensioners. One of my colleagues has already put some of this on record, and I would strongly recommend that hon. members look at the *Tribune* regularly to see what is written there. However, I should like to place this on record again because I do not think it was covered fully.

This evening I am dealing with the issue of February 10, 1949, where, at page 17, we find this:

> How Pensioners "Get By" on $30 a Month
> Can't Afford to Fix Glasses
>
> Edward Martin, an old age pensioner, broke the frame of his spectacles four weeks ago.
>
> He's been helpless ever since—street signs, even billboards, are blurs. Reading's impossible and shaving is more hazardous than the high trapeze.
>
> He plans to wait a few more weeks before getting the broken frame repaired. He knows the bill will only be "a matter of a few pennies," but he hasn't saved sufficient money.
>
> That's because he's living on 64 cents a day.
>
> Like other old age pensioners in Manitoba, he receives $30 in pension money monthly. Although physically unable to subsidize that income through part-time employment, his keen mind worked out a down-to-the-last-cent budget.
>
> The Salvation Army charges him $10 a month for his room in the local hostel.
>
> With the remaining $20, he adheres to the following daily diet:
>
> No breakfast
> Dinner:
> One egg sandwich ..... .15
> Toast and coffee ..... .12
> Supper:
> Two sandwiches ..... .30
> Coffee ..... .07
> Day's total ..... .64
>
> That leaves Mr. Martin nothing for clothing, medicine, smoking, laundry or small incidentals.
>
> Right now grey hair is woolly on his head. Haircuts, at 65 cents apiece, come once every six months for Mr. Martin—and the expense means forfeiture of the second supper sandwich.

I am sure that is bound to impress someone here who has sympathy for these elderly people. This man had to do without his breakfast, and lives on two meals a day.

Mr. Blackmore: Two snacks a day.

Mr. Bryce: I was going to say that, if they were substantial, I could live on two meals each day, if I had plenty to eat each time; but when you have only 64 cents a day on which to live, it is a deplorable condition. If the Liberal party want to be the reform party, here is their opportunity. They can do something about this situation.

That is the condition of the man who has only himself to look after. But let us look at the circumstances of the married male pensioner who has reached seventy years of age and is receiving a pension, but whose wife has not reached that age. He gets a pension for himself but nothing for his wife. You have two people trying to live on $30 per month. Surely it is not thought that women over sixty years of age can go out

and work to provide extra income to maintain the home. I think the time has come for the amount of the pension to be increased, and I believe that women should receive the pension at an earlier age than men. Personally I think that the pension should be paid to women at sixty years of age, and that it should be paid to men at sixty-five. Other countries can do it, and I do not think Canada should take second place to any country in the care of her aged citizens who have helped to make her what she is today.

I am sure that if I turn to my right to the Progressive Conservatives, to my left to the Social Crediters, to the members of my own party, or even the members on the Liberal side, there is not a man who would not vote for better pensions. If any hon. member thinks I am wrong, let him say so. It rests with the men on the front government benches. It is their responsibility. If they say that these people are to get better pensions, they will have them, because the Minister of Finance (Mr. Abbott) has the money. You could find money for war; then find money to look after the aged pensioners. I am sorry I have to put this so bluntly to the government, but they are the people who are holding up the matter. Everybody else is agreeable. Let them bring the measure in tomorrow and they will see the support they will receive. The deplorable thing is that so many makeshift methods are adopted to try to help them when, if the matter was handled properly, we could cure the ill.

In the province of Manitoba—and I can talk better about Manitoba than anywhere else—they have brought in a scheme. They are going to give these pensioners another $10 per month if the municipalities will pay half of it. The municipalities have never had enough money in the past to do the things needed to be done, to provide necessary public works; yet the government of the province of Manitoba wants to saddle the municipalities with this additional responsibility, and another means test. I know that the man or woman who has been thrifty during his or her lifetime, and has been able to provide for a rainy day, cannot receive any assistance because they have provided for themselves. It is only the man who has never paid any taxes, the man who has been a waster during his lifetime, or who has had some misfortune, who is entitled to it. People who are trying to get the pension today are encouraged—I do not know whether that is the right word—to do things they should not do. They fill out different forms, and they are not too truthful because they are trying to obtain something to eke out their existence for the rest of their lives. I think the means test should be abolished. If somebody gets the old age pension and does not really need it, or is not entitled to it, then it is in the power of the government to tax it back from them. But, for goodness sake, do not leave people in dire starvation because somebody may receive it whom you do not want to get it.

If the government thinks a contributory scheme will be better, I am quite agreeable to that. I am agreeable to anything that will aid these people. I do not think I need to say anything more. I cannot appeal too strongly to the hon. gentlemen on the government benches. They have the final say on what the old people of the country are going to receive, and I do hope they will think the same about it as I do.

I want to turn for a few minutes to the coarse grain situation. It has been uppermost in the minds of western farmers. The interest of organized and unorganized farmers in matters pertaining to marketing has been continuous and consistent for the last thirty years. Since 1919 the belief has persisted throughout the west that only a wheat board or a grain board, handling the whole of the western crop, will give efficient and satisfactory service, and secure a square deal for the farmer.

I wish to assure hon. members that I am as anxious for justice to consumers as to producers. As co-operators, the C.C.F. group believe that the proper organization of the marketing and distribution of all products would give recognition in a mutual way to the rights of both. There is no need for me to put on the record at this time the details of the fight in the early twenties. On August 18, 1920, wheat sold at $2.73, and on November 18, 1921, it sold for $1.11. On March 18, 1922, by which time practically all of the 1921 crop was out of the farmers' hands, the price had returned to $1.48, but again we find on October 18, 1922, in the peak month for deliveries by farmers, the price had gone down to $1.02. On April 18, 1923, when most of the wheat was out of the farmers' hands, the price had risen to $1.22, but on October 23 the price was back to 95 cents.

At this time both individual farmers and farm organizations were protesting strongly about the discontinuance of the wheat board. The idea of including coarse grains under the wheat board is not new, because at the convention of the United Farmers of Manitoba, held in January, 1922, the following resolution was passed:

> Whereas there is general dissatisfaction with the present system of marketing our grain;
>
> And whereas the deplorable condition of our agricultural industry is such that it demands the attention of the federal government to the need for national marketing of wheat and other grains;

Therefore be it resolved that we urge upon the dominion government the necessity of re-establishing the Canada wheat board under the former management with the wide powers to sell wheat and other grains.

Let us look at what happened. In 1935 the Bennett government introduced legislation setting up a compulsory wheat board which would handle all wheat. That policy was objected to by the Liberals, who brought in an amendment. I understand that they were the official opposition at that time. I was not here then, but from what I have read they were in the opposition. They brought in an amendment to provide that delivery to the wheat board would be on a voluntary basis. That meant a dual method of marketing wheat. You could either sell through the wheat board or put your grain on the open market. That was the policy until 1943 when the wheat board became the sole agency for the marketing of wheat.

During the war years and up to October 21, 1947, the price of coarse grains was fixed, and it was not very high. Then the federal government removed the ceiling on coarse grains, at a time when probably two-thirds of the crop already had been disposed of by the prairie farmers. I do not know how much the farmers lost in that transaction, but it was a great deal of money, which somebody else made. The farm organizations and others complained bitterly about that action by the government, and the upshot was that the government finally gave the farmers compensation to the extent of five cents a bushel on oats and eleven cents a bushel on barley, which compensation I understand cost the federal government approximately $4 million. But I still think the farmers lost more than that.

Mr. Gardiner: The farmers did not lose anything.

Mr. Bryce: Just wait, now. The farmer lost far more than $4 million.

Mr. Gardiner: He got 18 cents on his oats and 27 cents on his barley.

Mr. Bryce: Let me finish. Don't get me away on another tack or the first thing we know we will be back on the Liberal party. Those who were fortunate enough to belong to the wheat pools received 13 cents a bushel for oats and 16 cents a bushel for barley. A number of the line elevator companies made additional payments; but the farmers were victims of the apparent idea of the federal government that it would be a good thing to throw coarse grains back into the speculative market. Take the farmer who sold his grain to the feed houses around Winnipeg or any other large city. His first payment was also his last payment, because these feed houses claimed they worked on a day-to-day basis and had nobody to come back on.

Look at what has happened to barley. There has been a variation of approximately 41 cents in the price of barley since it went on the open market. Somebody got 41 cents more than the other fellow, and somebody got 41 cents less than he got. That is one of the things Bill No. 135 would do away with if it were proclaimed. Certainly we should have that legislation in operation; and now that the three hon. gentlemen who had most to do with it are sitting quite close together they should be able to agree on it. I refer to the Minister of Trade and Commerce (Mr. Howe), the Minister of Agriculture (Mr. Gardiner) and the Minister of Justice (Mr. Garson). Those three hon. gentlemen all had different opinions last fall. I need not go into that; I think every hon. member knows what their ideas were. The Minister of Trade and Commerce gave us the bill because we asked for it, but said he would only proclaim it if the provinces would agree. The Minister of Agriculture was not so sure about it; according to the Winnipeg *Free Press* he did not know whether we needed it, because he thought we had enough legislation in the province to do the job. But I am doubtful as to that.

One could not find a better example than rye—the grain, I mean. During the war it was allowed to remain on the speculative market. I have not the exact figures before me, but at one time I think it was around $4.47. Today it is a little over $1. How can any man plan his agricultural economy on a basis like that? He buys seed when the grain is over $4, and when he comes to sell his crop he finds that it has dropped by at least $2.13. The speculative market system has been advertised all over the prairie provinces in the newspapers and by radio. It has been said that such a system provides farmers with the most efficient and economical means of selling their grain. The chief complaint of the farmers in regard to the speculative system of marketing is its insecurity. That system provides protection for the elevator companies, the flour mills, the exporters, the bakers and so on, but it provides no price security for the man at the bottom, the man who grows the grain. The farmer is only asking for security in the marketing of his products. He is only asking that farmers be on the same basis as carpenters, plumbers, electricians and so on, who make arrangements about their wages for a year or two in advance.

As we travel through the country we find that the greatest opponents of Bill No. 135 are people who do no farming at all. Surely

it should be left to the farmers to settle this thing for themselves. Today we have groups advocating that we should retain the wheat board but that it should not be compulsory, and that we should have the speculative market along with it so the farmer might maintain his independence. Such a system would only benefit the speculative market. If a majority of the farmers want this act then the majority should rule, just as the majority rules in all other organizations such as the bar association, the doctors' union and many others. Democracy works there; it should work for the farmer, too. I have a clipping here from one of the western newspapers dealing with coarse grains, as the matter was considered by the western agricultural conference at Saskatoon. It says:

> Without an opposing vote the conference endorsed the following resolution on coarse grains: "that a joint effort be made to enable the Canadian wheat board to be the sole marketing agency for coarse grains and that any legislation giving the Canadian wheat board the same exclusive powers over the marketing of other grains as it now exercises over wheat, should be based on the principle that the Canadian wheat board should be an agency operating in the interests of grain producers, with a duty at all times to sell grain for the best available price whether in export or domestic markets, and should not be used as an instrument of government policy to limit domestic prices.

I am sure it is good news that everyone has agreed on that, and I hope the three ministers who could not agree last year will agree now and have this act proclaimed, because if you do not proclaim it you are going to be in trouble. It is most unfortunate that this bill was not proclaimed last year. I do not know who is to blame, because there seem to be faults on all sides. The Minister of Trade and Commerce brought in a bill demanding that we have complementary legislation from the provinces. The premier of the province of Manitoba told us there was no need for it, and the law officers of his government told us it was not necessary. According to the Winnipeg *Free Press*, the Minister of Agriculture (Mr. Gardiner) said the provinces could handle it under their natural products marketing acts.

Mr. Gardiner: You are not suggesting the Winnipeg *Free Press* speaks for me, are you?

Mr. Bryce: I know the Winnipeg *Free Press* has blamed the minister for a lot of things, but I am believing it this time. I do not think this would work without dominion legislation. I remember that, when the Right Hon. R. B. Bennett brought in the dominion Natural Products Marketing Act, he failed to get the enabling legislation from the provinces. The act was challenged and declared ultra vires. It is no doubt for this reason the officers of the crown consider enabling legislation necessary.

The premier of Manitoba wanted to do everything the farmer wanted him to do, but he had to consider his own welfare first; so he picked holes in Bill 135, as only a lawyer could. No doubt he sought to satisfy his coalition government, but he deprived the farmer of the benefits that Bill 135 would have given him. It is a well-known fact that the coalition government in Manitoba contains many members who detest the sight of Bill 135 and have openly sworn that it will never be proclaimed if they can help it. No doubt that had an effect on the arguments the Minister of Justice (Mr. Garson) put forward. Now that he is rid of that entanglement, I suppose he can be a good Liberal again. Perhaps he can approach the subject with an open mind without offending the gentlemen in his former coalition government. I hope the government will make sure that this legislation is in operation before the next crop is harvested. I would suggest that neither rye nor flax be left outside its sphere of operation. The day has come when no farm produce should be sold on a speculative market. I have urged that in the past, and I shall continue to do so until farm products are no longer objects for speculators and profit seekers to play with, but are put into the channels of consumption in the most efficient and economical manner to the benefit of both producers and consumers.

I should like to say a word to the Minister of National Revenue (Mr. McCann) about the income tax. With the present high cost of living, I consider the exemptions are too low and something should be done about them. I have my old grievance. There should be some other basis for levying income tax upon farmers. The farmer works as a unit. If he has boys old enough he can charge their wages against his income tax. There are on the farm, however, many young people who do a man's work long before they reach the age of sixteen. Unfortunately, although the farmer works as a unit he is taxed as an individual. This unfair method of taxation reflects itself in the production of cream, in the production of eggs and in the production of hogs. Perhaps "unfair" is not the right word, but there is something unfair about it. When the income tax inspectors came around in Manitoba they assessed the farmer's income. The farmer said, "If I had not sold these hogs or bothered milking these cows, I would not have had to pay any income tax".

When I consulted the Right Hon. Mr. Ilsley about this matter he told me that, while my argument might be sound enough, if he did that for the farmer he would have to do it

for the small storekeeper who claims that his wife too works. If the small storekeeper's wife works, he is entitled to an exemption just as the farmer is for his wife. This should not be offered as a reason why the farmer's whole unit should be taxed and one man be forced then to pay that tax. I have exhausted my time, but I hope the minister will read these remarks and give some consideration to them. At another time I will continue what I have to say.

(Translation):

Mr. J. O. Gour (Russell): Mr. Speaker, I am pleased to extend my congratulations to the mover of the address in reply, the hon. member for Essex West (Mr. Brown). I do not need to praise him, for many have done so before me. Long before making this speech he had been known as a worthy member of parliament who is a credit to his beautiful constituency and to his party.

I am also pleased to join those who have already praised the seconder of the address, the hon. member for Laval-Two Mountains (Mr. Demers). May I say to him that his first appearance in this house has been most auspicious because of his wisdom and his integrity. His constituents are rightfully proud of him. He may be assured that we, the Liberals, are pleased with this lucky choice they have made.

I also wish to offer public thanks to Divine Providence for placing at the helm of the Liberal party, for the last half century, such great statesmen as the Right Hon. Sir Wilfrid Laurier, and the Right Hon. William Lyon Mackenzie King. Both have been recognized as very great men not only in this country but throughout the world. We are today as privileged as we were before in having the Right Hon. Mr. St. Laurent as prime minister of Canada, as he has shown himself to be worthy of his predecessors. What has happened since the opening of this session indicates that he will perhaps surpass them, if that were humanly possible. On behalf of the electors of Russell whom I have the honour of representing, I wish to tender him my most sincere congratulations on his speeches, so full of wisdom and firmness, and worthy of the greatest men this country has ever had the honour of producing.

I would not forgive myself if I failed to offer my congratulations also to the right hon. Minister of Agriculture (Mr. Gardiner), on the splendid speech he delivered before the Canadian Board of Trade in London. It was necessary that they should be told these truths there, in view of the need for mutual understanding between the two countries. We have always been grateful to the nations who have wished us well, but they should not forget our benefactions.

I therefore ask the Minister of Agriculture to believe that all Canadians appreciate the immense benefits he has brought and will continue to bring to this country.

I also wish to thank all the ministers of the crown for the beneficent administration they have given the country. We must thank Providence for having so guided and protected them, for never has Canada known such prosperity.

I therefore ask the Minister of Agriculture whether it would be possible to give a subsidy of 5 cents a pound on butter and 2 cents a quart on milk, provided the provinces contribute an equal amount, even if some petty politicians accuse us of assailing their autonomy. Low income earners could thus obtain a product which is worth twice as much, so far as flavour, quality and usefulness is concerned, as this substitute called oleomargarine or any other name. We could also pass another law, should the provinces decline to do so, requiring that this product be coloured, chocolate or otherwise, to prevent the unscrupulous from mixing this product with butter, in which case the swindled consumer might be led to believe there is not much difference between this mixture called "butter and oleomargarine" and genuine butter.

Moreover, such subsidy on butter and milk would reduce the sale price, increase the consumption of a wholesome and necessary product and allow farmers to produce more of it. I should also like the government, if this entailed no financial difficulty, to reduce the sales tax on working clothes used by our labourers and our farmers, because after all they are those who earn their money the hardest way.

Mr. Speaker, nothing has been funnier to me, since I have had the honour of sitting in this house, than the requests of all kinds made by the hon. members of the opposition, and even by members on this side, asking for bridges, wharves, railways, bonuses, subsidies, pensions, even requesting that rivers be dug or filled, etc., etc., and thousands of the requests which, according to certain experts, would cost the government at least 4 to 5 billion dollars a year. In addition, most of those members ask the government to reduce taxes to a point that would leave us less than a billion dollars of revenue. There is even a certain group of the Social Credit party who

want to abolish all taxes, which means that we would be deprived completely of revenue.

However, I am particularly critical of the official opposition. During the war they urged the government to spend twice as much as it did. Those same people now wish to have low taxes and criticize the government's policy.

Who will refund Canada's debt and pay the interest and at the same time provide enough money to run this country and carry out the social legislation which we want to extend?

Nevertheless, Mr. Speaker, because of the present prosperous conditions of our country and our increasing revenue, I believe it would be possible this year for the Minister of Finance (Mr. Abbott) to exempt from income tax single persons earning between $1,000 and $1,200. In the case of people with one dependent, the exemption should be between $2,000 and $2,500. In addition, the allowance should be increased by $100 for each child.

I regret that I am unable to congratulate the leader of the opposition (Mr. Drew) as I should like to. All I can do is to commend him on the enlightened pre-election campaign he conducted in Ontario. He heaped pledge upon pledge up and down the province, promising either the sun or the moon, according to the section he was dealing with. Banking on victory, he hoped this would help him be chosen leader of the opposition in Ottawa.

I thoroughly enjoyed hearing him criticize the paragraph of the speech from the throne which mentions the appointment of a royal commission. His words are reported on page 46 of *Hansard* for January 28. Of course, the leader of the opposition knows all about royal commissions since, during his short term of office as premier of Ontario, he appointed eleven. They are the royal commissions on: 1. Milk; 2. Forestry; 3. Public Halls; 4. Mining; 5. Investigation of the Gestapo charges on the C.C.F.; 6. Agricultural Committee of Inquiry; 7. New Departments; 8. Reform Institution; 9. Planning and Development; 10. Travel and Publicity; 11. Education. The royal commission on separate schools which has been sitting for over four years now and which has cost the province more than $100,000 to date served no other purpose than to refuse several school boards a permit to establish a separate school. Indeed, Mr. Speaker, the royal commission on schools was denying, throughout the province, the rights of school boards, where Catholics of all racial origins but especially French-Canadians, are represented in a proportion of from 72 to 99 per cent, and that at a time when he was minister of education and prime minister of the province. Yet he is pleased to say in this house that the French Canadian ridings voted for the Conservatives 6 to 7, although 4 to 6 would be a truer proportion.

No, Mr. Speaker, the French Canadians, by a wide majority, did not vote for the member for Carleton (Mr. Drew) or for his Tory party. We, the French Canadians of Ontario, also have our motto; it is the same as that of the province of Quebec, "I remember". To be sure, we well remember regulation XVII, which was passed by the same Tory clique, supported by whatever influence the leader of the official opposition in this house had at that time, regulation XVII which deprived the French Canadians of the right to teach their mother tongue and their religion in their schools.

Mr. Gagnon: How did they vote?

Mr. Gour (Russell): The French Canadians of that day would have never accepted, under any circumstances, a regulation of that kind, and I am one of them. Never will French Canadians accept such iniquitous school laws.

Mr. Gagnon: Whom did they vote for? Out with it.

Mr. Gour (Russell): No, French Canadians did not vote Conservative because they believed in the promises of the then Prime Minister, apart from a small number of gullible partisans, like the one who is interrupting just now, who remained staunch Conservatives come what may. Many knew that he would quit the provincial field in order to escape his promises and that his ambition was to be the eternal leader of the opposition in Ottawa, as long as the other opposition parties did not deprive him of this rank.

It is not because of grants to our institutions, since, to be fair, they deserve twice as much. That has had but little influence. The real reason was the royal commission on education suspended over our schools like the sword of Damocles. I warn the Ontario Progressive Conservatives that if the settlement of the separate school problem is not what it should be, they cannot expect to have one single member re-elected in French-Canadian constituencies for centuries to come.

The people reasoned thus: "While doing it reluctantly, we are going to vote for the Tories this time and if they remain in power—which is what unfortunately did happen—the government will have no excuse to give for maintaining the unfair laws which affect the separate schools. Yes, Mr. Speaker, the Ontario separate schools are still treated with rank injustice, because under the law no part of the taxes paid by public utilities and the like can be given to the separate schools. On the other hand, the electors reflected that in the case of a Liberal victory they would not have to worry because even though they did not return a single Liberal member they would still be treated fairly inasmuch as the Liberals have always dealt equitably with all people when they were in power. They did respect all races in the province, as regards language and creed, and their policy was to promote in this country unity, prosperity and freedom from agitation.

No, let me say to the hon. member for Carleton that the Ontario French Canadians remember the statements he made on the occasion of a by-election in Hastings East, when he said in a speech that the French Canadians were a vanquished race. They recall the statements he made in London, England, his comments on family allowances and the words he has uttered as a public man against the French Canadians and which have been quoted in this house, although others were not. A good many people believe that if a French Canadian was given a portfolio in the Ontario cabinet—one of the minor portfolios—it is because he—I mean my good friend the provincial member for Prescott—has accepted to make over the radio and to the newspapers this naive and unconsidered statement that the leader of the official opposition was the saviour and protector of the four million French Canadians of this country.

I feel sorry for my good friend that he was not more fortunate because according to what I read in the newspapers, he has been ridiculed and quite justifiably. The newspapermen who criticized him have been approved by 99 per cent of the French Canadians of the counties of Prescott and Russell and of all the province of Ontario. I can understand that it was mainly to supply electoral matter to the Conservative leader of the province of Quebec. The statement was used over the radio and in the newspapers, because such leaders have remained Tories despite all the insults leveled against the province of Quebec by the leader of the official opposition. I shall mention only one, which dates back to the 1944 provincial election.

I therefore considered it my duty, Mr. Speaker, that these statements be made in the house. I challenge the leader of the opposition to repeat the suggestions he made in his speech to the house on February 4, to the effect that we, French Canadians, were playing a dangerous game in recalling to the people these idle statements he made at the time for political motives. But today, anxious to secure the support of the province of Quebec, he does not want those statements recalled, hoping that the Canadian people might forget.

To conclude, Mr. Speaker, I would ask the Prime Minister and his cabinet to appoint during this session a diplomatic representative to the Vatican.

I also feel it would now be advisable to have a national flag. I have two designs here that would be very acceptable to the people I have the honour to represent and, I am sure, throughout Canada. I was happy to find it suggested in the throne speech that we no longer appeal to the privy council in Great Britain but, instead, transfer to the Supreme Court of Canada the functions exercised by that body. It is also to be hoped that where rights pertaining to provincial autonomy or rights involving any particular province are at stake, such a province will appoint half of the judges sitting on the case.

I urge and request that during this session, if at all possible, legislation be enacted to replace His Majesty the King as governor general of Canada by a Canadian incumbent. In the person of the former Prime Minister of Canada, now member for Glengarry (Mr. King) we have a man best suited for this outstanding position.

(Text):

Mr. C. C. I. Merritt (Vancouver-Burrard): Mr. Speaker, in this want of confidence debate we have been discussing three points: first, the failure of the government to reconvene a dominion-provincial conference and bring about agreement with the provinces on the division of their various tax fields and responsibilities; second, the continued bureaucratic control that this government is exercising over production and trade in Canada; and third, the continued crippling rates of taxation which they are leveling on the people of Canada.

It is not going to be my purpose to depart far from that pattern. Those are the impor-

tant points; those are the reasons why the Canadian people have no longer confidence in this government. Those are the principal reasons and they are important ones. My purpose in this debate, Mr. Speaker, will be to draw to your attention, by way of illustration, one practical example which exists now in British Columbia of what happens when a government pursues the kind of policies which they have been following in the past few years. I refer of course to our very serious unemployment situation and which is particularly centred in the Vancouver area. I am not going to give many figures to the house. I believe any figures one would give would be uncertain; but in the last issue of the *Financial Post* it is stated that in January there were 41,500 claims for unemployment insurance in British Columbia. The figures of unemployed in the province are much greater than that because a very large number of people there do not come under unemployment insurance and would have no occasion to make claims. It is likely that in the Vancouver area alone there are over 50,000 people out of work. Because that is close to 10 per cent of the population of that area we have a very serious situation indeed.

I am quite surprised that although the Vancouver members have questioned the government on the situation in British Columbia on several occasions, and now more than a week ago, we have had no statement from the Prime Minister (Mr. St. Laurent) as to what is to be done to meet the situation. I have a strong suspicion that they have no ideas of what they are going to do, and they are just hoping that the unemployment will blow over in course of time. However, that is the situation.

I suggest to you, Mr. Speaker, that in a practical and personal way this raises the failure of the government to bring about an agreement between the provinces and itself so as to take care of these fields of responsibilities which are not at present clearly and properly allotted between the jurisdiction of this parliament and the jurisdiction of the provinces. I say it raises it directly and personally because it is not simply a political issue as hon. members on the government side of the house seem to try to make it this session. In this matter of unemployment, the failure to provide for one class of the unemployed in British Columbia comes right home to many individuals living in that province.

The situation there, of course, is that there are three classes affected by this unemployment. First of all, there are the unemployables, who are the responsibility of the city and province and who, I should imagine, are being taken care of under the usual provisions of the city and province in that regard.

Secondly, there are those who are in insured occupations, and who therefore draw unemployment insurance. So far as that kind of assistance is concerned, they are properly taken care of.

But there is a third class of which I wish to speak, the class known as the employable unemployed. For that class no authority takes any responsibility. The provinces have long contended that the employable unemployed are a responsibility of this government, which has its unemployment insurance set-up, and its employment service. They have held for a large number of years that this is the jurisdiction which should look after that group. Naturally the provinces have not provided funds or machinery to take care of that class of persons.

The whole responsibility for the employable unemployed in Vancouver at this time is falling upon the red feather organizations, those groups of private social security organizations which function together under the sign of the red feather. But the strain of caring for the employable unemployed in Vancouver at this time is much too much for that authority to look after. Not only are their financial resources quite inadequate for the purpose, but a large number of those who are unemployed in Vancouver are not residents of Vancouver, nor are they residents of British Columbia. A large number of them have come to the coast from points east of the Rockies.

A survey taken by the red feather organization a year ago—I have not the figure for this year—showed that about 50 per cent of the people being taken care of in the seasonal unemployment crisis a year ago were from outside British Columbia. It is not proper that a municipal organization, or a private organization drawing its resources from within a municipality, should be called upon to look after a serious unemployment situation which affects a large number of people who do not live within the borders of that municipality.

Yet this very class for whom, as I have pointed out, no government authority accepts any responsibility—and I am referring of course to the employable unemployed—is the class for which in the green book proposals of 1945 the dominion government undertook to care. The proposals in that regard are to be found at page 44 of the green book, at which point it is indicated that the dominion government, in addition to unemployment insurance, would undertake to provide unemployment assistance in respect of the class about whom I am talking, up to 85 per cent of the rates paid for unemployment insurance. It seems to me too bad that, where that responsibility was recognized and virtually accepted in 1945, we should find in 1949 a

large number of Canadians who are in need of this assistance but who are being done out of it. They are done out of it because this government has not had the will to bring about a dominion-provincial agreement which would have settled not only matters of taxation, but also this vital question of care of the unemployed, which affects personally so many people.

I was little short of amazed when in this debate, as reported at page 86 of *Hansard*, I heard the Prime Minister (Mr. St. Laurent) say that an attempt to reach a dominion-provincial agreement was a waste of his time. I do not think that remark will be well received or appreciated either by those people who are now in want in British Columbia, or by those who are giving their money and their time on an entirely voluntary basis in an attempt to do something for people who have not resources.

I am sure those people do not feel they are wasting their time in trying to carry out a public service; and I believe they will be greatly disappointed that the Prime Minister should have made use of those words. The real reason, of course, why the Prime Minister would find a further attempt to bring about an agreement a waste of time is that he knows that in 1945 and 1946 the government was wrong, and that the leader of the opposition (Mr. Drew) was right in the stand he took at the time at the conference. The Prime Minister and members of his government know that, were a conference reconvened, the agreement which would come out of it would be one along the lines proposed by the leader of the opposition. This would be a tremendous political defeat for the government. That is the reason they do not reconvene the conference and bring it to a satisfactory conclusion.

I say, in short, that the government has no will for agreement. We in this party have a will for agreement—we have a will for agreement with the provinces which will make it possible for the provinces and municipalities to discharge their responsibilities in their proper fields. And not the least of these responsibilities which require assumption by someone is the one to which I have been making reference, namely, the caring for the employable unemployed.

If the government does not see fit, as apparently it does not, to reconvene the conference, I say that at least it should carry out the responsibility it was willing to undertake in 1945 and provide unemployment assistance for those who do not qualify for unemployment insurance.

I want to say further that this is not an unexpected situation. This year conditions in Vancouver are much worse because of the bad weather we have been experiencing, but every year we have a seasonal unemployment problem. Every year a large number of people are out of work at this time in the province, and they come into Vancouver. The problem I have been discussing was brought to the attention of the Minister of Labour (Mr. Mitchell) last year. I brought it to his attention myself in connection with the burden it throws upon the red feather organizations. Apparently nothing whatever has been done about it.

I do not think that when the Minister of Fisheries (Mr. Mayhew) was in Vancouver the other day he showed a proper realization of this problem. He is reported in the *Province* as having suggested as cures for the unemployment situation there such things as the speeding up of shipbuilding, the building of some naval craft in Vancouver, the building of a highway to the airport, and a good home-building program. None of these projects can be put under way in time to take care of the kind of problem that we are facing now. The government should have known that it was coming. If they wanted to carry out such measures they should have laid their plans months and months ago. Then they would be useful now. But this talk is just to put the matter off and to avoid responsibility.

Everything I have said so far has been in reference to the provision of unemployment assistance. I have illustrated how, in failing to bring about a dominion-provincial agreement, the government is causing difficulties to a large number of the Canadian people. I want to turn now to other points of criticism that have been aimed at the government during this debate. I want to illustrate by this same unemployment situation how their taxation policy, and their interference with the ordinary flow of production and trade in Canada, are stultifying the growth of industry, particularly in British Columbia, and are leading to the very serious pockets of unemployment that we now see appearing.

As you know, Mr. Speaker, the economy of British Columbia is based principally upon development of our natural resources. You have heard many times that the chief of those are lumber, fish, fruit, and products of our mines. From our very rich resources we produce a great amount of wealth each year. We market a large amount of that wealth through the port of Vancouver to export markets overseas. We have had our troubles finding markets in the past, but since the Ottawa agreements of 1932 markets have been pretty well assured for our main exports of natural products in the British commonwealth countries, and particularly in Great Britain.

As a result of assured markets we have been able to build up our industry and to

establish it on a pretty firm basis. I think all the people who are engaged in active industry in the province of British Columbia, and indeed all the people of British Columbia, saw at the end of the war that our opportunity for expansion, development, and diversification of our industry was just beginning. They saw that we had one of the least tapped reserves of valuable natural resources in the world, and they were prepared to go all-out and take advantage of their opportunity to expand our production and to diversify it by branching off into secondary industry, all-year-round industry, which would do a great deal to prevent these ebbs and flows of employment.

I think these people know—and they are very active people—that the best way to get rid of unemployment is not through assistance by the government but rather through the production of new opportunities for employment by private industry. They were quite ready and able to go out and, by establishing new sources of production, make available new jobs to take care of a large number of people who wanted to go and live on the coast and who have been coming there steadily since the end of the war.

In order that the people active in industry in British Columbia might carry out that expansion they needed three things. First of all they needed very large amounts of new capital from outside the province. In order to establish their new industries they needed new people to work in them, to produce the wealth and to earn the rewards of that production. Finally they needed assured markets so that increased production of wealth would be worth while. All these ideas were very important to the people of Vancouver, and particularly to the people of my constituency. The city of Vancouver, which is growing apace, and now is approaching the half-million mark in the case of greater Vancouver, is dependent for its prosperity upon the continued flow of our natural resources from our rich province into the markets of the world. The constituency of Vancouver-Burrard, which I have the honour to represent, consists primarily of a residential area in which live a very large number of people who are engaged in the industries and services of Vancouver based upon export markets. It includes also a considerable number of retail stores which provide services for the people of the city and in so doing earn a livelihood for their proprietors. At the same time there are in my constituency some sawmills and a large number of machine shops and other establishments which service the natural products industries of the province.

You will therefore see, Mr. Speaker, that the success of our industrial leaders in expanding production in the province will mean very much to the people of my riding. It is from the continuous flow of wealth from our resources that they make their livelihood, and unless that flow of wealth is kept up and increased there is no power on earth, and particularly no government power, that can keep those people from distress. With that opportunity and with such a large number of willing people available to go out and take advantage of the opportunity and increase the production of wealth, one would have expected government policies to be of some assistance. But as a matter of fact the fiscal policies pursued by this government since the end of the war have been a direct, centralist, bureaucratic interference with the aspirations of the people of whom I have been speaking. The policies put forward principally by the Minister of Finance (Mr. Abbott), whom I am glad to see in the house at the moment, in almost every case have been a drag upon the initiative and enterprise of the leaders of industry in British Columbia.

Mr. Abbott: With the national income at an all-time high.

Mr. Merritt: These policies, with which the minister seems so satisfied, are not an attempt at expansion but an attempt only to maintain the status quo. They consist principally of the Foreign Exchange Control Act, the import and export restrictions, and of course the minister's budget decisions which have amounted to almost confiscatory taxation upon the people. The policies he is following—whether he knows no others I cannot imagine—are precisely those a socialist government would follow.

Mr. Abbott: I would not know anything about that.

Mr. Merritt: It is quite possible the minister does not know anything about that, but the people of British Columbia know quite a good deal about it, because they are very much exercised over this whole question of socialism. At the moment the opposition in the British Columbia house is socialist, and it is doing in a major key exactly what the Minister of Finance is doing.

Mr. Abbott: I did not think they were as good as that.

Mr. Merritt: The socialists in British Columbia are breathing very heavily down the neck of anyone who is thinking of investing capital in the province, doing everything they can to drive out capital and prevent expansion, and everything possible to set back the progress of British Columbia.

Mr. Archibald: What about the three per per cent sales tax put on by the Tories?

Mr. Merritt: Well, you know, there is probably a direct connection between that three per cent sales tax and the attitude of this government with respect to dominion-provincial relations.

Mr. Knowles: You mean the Liberals are running that coalition out there?

Mr. Merritt: In respect of dominion-provincial relations that could be possible. But I want to get back to the question of the fiscal policies of this government, because fortunately at the present time what my friends to the left would do to British Columbia is only a threat, while what the Minister of Finance is doing to my province is a fact, and I am more interested in the fact than in the threat.

I want to take these three requirements for progress in British Columbia—capital, people and markets—and show by one or two illustrations how this government is holding back that progress and hurting rather than helping us in our endeavour to diversify and expand our industry and thereby to get rid of the serious pocket of unemployment we are experiencing now. First I will take capital. Everyone knows you cannot build up a new and rich area without outside capital. It is quite impossible to expand the economy of British Columbia as we would like to see it expand unless we can get outside capital.

Mr. Abbott: Ontario is the place to go.

Mr. Merritt: The minister says Ontario is the place to go.

Mr. Graydon: Apparently you will have to get out of Quebec.

Mr. Abbott: I am all right in Quebec.

Mr. Knowles: Keep Ontario strong.

Mr. Abbott: That is the thing.

Mr. Merritt: For a moment I want to refer to what an outside authority has to say as to the effect of the minister's foreign exchange control upon the expansion of British Columbia. I have here a clipping from the Vancouver *News-Herald* of some time last year, and I do not believe the present situation will have changed. It refers to a visit to British Columbia by Francis Adams Truslow, president of the New York curb exchange. He gave an interview to this newspaper, in the course of which he said that after having studied the situation in British Columbia he was satisfied there were no greater opportunities for risk capital in all the world. I quote from this clipping:

> Canada, however, he found, had set up man-made barriers against the flow of capital from U.S.A. . . .

> Canada requires vast amounts of risk capital, but its regulations scare capital away . . . He did not suggest that it would be possible for Canada to remove all restrictions at once, but it was vital that this should be the objective, because, he said, "You can't expect capital to walk into a trap."

That is the opinion of a very good authority on the Foreign Exchange Control Act of the Minister of Finance. He calls it a trap.

Mr. Abbott: Did he refer to the Foreign Exchange Control Act?

Mr. Merritt: He refers to the fiscal policy of the government and says it is a trap into which capital would be too wise to put its foot.

I should like to say a word about the other possible sources of capital that are available for expansion, one of which is savings. In British Columbia there is a large number of small businesses that have been built up over the years and which rely for their expansion capital on the savings of the proprietor. You know, Mr. Speaker, that all through the war the standard profits for this type of business under the Excess Profits Tax Act were set unusually low. This meant that expansion capital could not be obtained from that source. You know, too, how the jewelry tax, the soft drinks tax and all these other unusual taxes were levied during the war for the sole purpose of slowing down the particular businesses to which those taxes applied. Probably that was a very good thing for the war effort, but it is a very bad thing for the prosperity of the people today. They cannot increase their savings. The same remarks apply to the general rates of income tax which have the effect of making it difficult to acquire capital for expansion. By reason of these two measures, the restrictions upon capital coming into this country and the rates of taxation imposed by the government, the opportunity for expansion in our province is being held back.

Let me turn, sir, to the second requirement we have in British Columbia, and that is people. We have experienced a considerable influx of people in the past few years. Our population is still not large enough to do all the things we would like to do. How in the world are we going to handle a larger number of people and do the things we want to do, while the government is unable to do more than it has been doing about housing? In a newspaper report dated January 29 of this year, the Minister of Reconstruction and Supply, who is responsible for housing, is quoted as saying that he hoped 100,000 houses would be built in Canada in 1949. Then he said this:

> If we had 100,000 additional housing units available right now, there would be occupants for every one of them.

If during the course of the next year all the minister hopes to do is provide 100,000 houses which could be used right now, what chance is there for the expansion of our population in the next few years? If we are to be prosperous economically, if we are to be secure from the point of view of national defence, then we should expand our population. It is not sufficient for the government to say how difficult it is to build houses and to be satisfied with increases such as we have seen over the past few years, from 60,000 units to 70,000, to 80,000 and now to a target of 100,000 units. Broadly speaking, there is something wrong with the whole manner in which this government is conducting the economic affairs of this country. If after four years of trying to make provision for a very much greater quantity of housing than will simply meet our needs our building trades cannot meet those requirements, then something should be done.

I see my time has expired, but I should like to refer to a third requirement of which I spoke, and that is markets. I assure you I shall not be more than a moment. I have a report from the Pacific lumber inspection bureau of Seattle which points out that the water-borne shipments of lumber from British Columbia declined 24·1 per cent in 1948 as compared with the year before. From this you will see that this government is losing those markets which are important to British Columbia. Nothing is being done to restore them.

I did intend, Mr. Speaker, to expand on the question of markets, but since my time has expired I shall bring my remarks to a close. I simply want to say this, that if by these policies—

Mr. Speaker: If the hon. member would permit me, since he has exhausted his time, I would ask the house whether he has unanimous consent to continue?

Some hon. Members: Continue.

Mr. Merritt: I thank the house for its courtesy.

Mr. Abbott: Solve this question of markets while you are at it.

Mr. Merritt: Since the minister and his colleagues are so obviously unable to do so, perhaps I might have a try at it. I have referred to the fact that the water-borne shipments of lumber from British Columbia have declined 24·1 per cent over the last year. This is not a matter about which anyone who has lived in British Columbia could be happy. We have had experience before in trying to market our lumber in the United States, and it has not been a happy experience. We are very properly alarmed at the present trend in the commonwealth countries, particularly Great Britain, South Africa, Australia and New Zealand, which have always been our best markets for lumber. These markets have been shut off because of the dollar shortage.

In British Columbia we do not like the way this government has thrown away our empire preferences. In the Geneva trade agreements of last year the government was very generous with these preferences. It gave away half the preference on lumber, half the preference on fish and the whole of our preference on apples. We do not like the cavalier fashion in which that was done. No matter what the Minister of Agriculture (Mr. Gardiner) may have said the other night about the Ottawa agreements, in British Columbia we know that they were the salvation of our economy. We know that they have been the background and the basis for our economy every year since 1932. We particularly do not like the declaration of the right hon. the Minister of Agriculture the other night against the whole principle of empire preferences. We do not like the manner in which the government has handled either the freight rate policy or the question of the trans-Canada highway because those are two matters which vitally affect our possibilities of markets. If we are not to have these overseas markets, upon which we have principally relied, then we should like to have a better entry into the home markets.

I was greatly disappointed that, despite the promises made by the ministers in the Vancouver Centre by-election of last year, the government has not seen fit to deal with the mountain differential as a question of government policy rather than as a question which will be determined simply by the board of transport commissioners. The differential should have been taken off in order that we might have some alternative market in place of the markets overseas which the government seems quite content to allow to be given away.

In my view it is the home market to which Canadian industry should be turning now. The home market in Canada, in this difficult world, will be our surest and most secure market. Anything the government can do to build up that home market will be well done; and where they fail to build it up and make it possible for us to sell a greater amount of our produce within our own borders, they will be doing our country and our people great harm. I believe that Canada's new preferential trade policy should be one of preference for people. The minister wanted to know if I could suggest to him some way whereby he might have other markets for the

ones he is allowing to slip away. I am suggesting to him that if he must maintain—and I do not think he must—all the socialist policies which he is now pursuing, and—

Mr. Abbott: Which ones would the hon. member discontinue?

Mr. Merritt: —if he must try to put an iron curtain around this country to keep capital out—

Mr. Abbott: No answer.

Mr. Merritt: —and prevent us from exporting our goods to our usual markets, then I suggest to him that he should seriously consider bringing people here so that our industries can sell to the people within our own borders.

Mr. Abbott: Would my hon. friend allow a question?

Mr. Merritt: Yes, certainly.

Mr. Abbott: To which markets does my hon. friend suggest that government policy is preventing us from exporting our products?

Mr. Merritt: The markets of the whole sterling area.

Mr. Abbott: If my hon. friend will allow another question, I would ask him this. In what respect is government policy preventing these exports to the sterling area?

Mr. Merritt: It is government policy, as the minister well knows—

Mr. Abbott: I am just asking for information.

Mr. Speaker: Order.

Mr. Merritt: —because he is the chief one who expresses these policies in this house, although the policies probably are not made by him—

Mr. Abbott: I asked a simple question. It is an easy one to answer, if my hon. friend knows the answer; but I do not think he does.

Mr. Drew: The minister does not.

Mr. Abbott: I do know the answer, but my hon. friend does not. That is just the difference between us.

Mr. Drew: The minister does what he is told.

Mr. Abbott: I do not do what I am told, but my hon. friend does do what he is told.

An hon. Member: Give him a chance to answer.

Mr. Abbott: I should like to know the answer.

Mr. Merritt: The minister is talking so much that I cannot get a chance.

[Mr. Merritt.]

Mr. Abbott: The hon. member is not answering the question. He is trying to skate around it. I should just like to know the answer.

Mr. Merritt: As I understand it, it is government policy to maintain in the world, in respect of Canada's dollar and in respect of the currencies of all other countries, a rate of exchange which does not represent the terms of trade between the countries.

Mr. Abbott: I do not want to interrupt my hon. friend—

Some hon. Members: Oh, oh.

Mr. Merritt: I do not want the minister to interrupt me again.

Mr. Abbott: The hon. member is getting extra time. I will not, however, ask the question.

Mr. Merritt: The minister may ask another question when I finish my answer. It is government policy to keep that rigid exchange rate in existence, no matter what happens to the flow of goods between countries.

Mr. Abbott: Would my hon. friend now allow a question?

Mr. Merritt: Most certainly, yes.

Mr. Abbott: Does my hon. friend think that depreciation of the Canadian exchange rate would facilitate the import of products from sterling areas to Canada?

Mr. Merritt: I think that by allowing the Canadian dollar to find its true level—

Mr. Abbott: I asked if the hon. member thinks that by depreciating the Canadian dollar—

Mr. Green: Let the hon. member answer the question.

Mr. Abbott: All right. I put to the hon. member an easy question to answer.

Mr. Speaker: Order.

An hon. Member: It is half past ten.

Mr. Merritt: I think that if the Canadian government would get out of its head—

An hon. Member: It is out of its head now.

Mr. Abbott: Suppose the hon. member try to answer the question, and never mind these generalities.

Mr. Merritt: If the minister tomorrow, when he is not so talkative and when he has some time in which to give the matter some thought, will read the answers I have given, I think he may understand them better.

Mr. Abbott: I have asked a few short questions, and my hon. friend has been extremely verbose in refraining from answering them.

Mr. Knowles: Order for return.

Mr. Abbott: Yes, order for return; I think that is right.

An hon. Member: Tabled herewith.

Mr. Abbott: No, not tabled herewith.

Mr. Knowles: Next sitting of the house.

Mr. Abbott: Yes, next sitting of the house.

Mr. Merritt: If the Minister of Finance (Mr. Abbott) will allow me to go on and try to answer his questions, I will do so.

Mr. Abbott: My hon. friend may have a hard time in doing it, but I will allow him to go on.

Mr. Merritt: I do not think that I shall have such a hard time.

Mr. Speaker: Order.

Mr. Merritt: Surely, Mr. Speaker, when we see country after country putting on import restrictions—South Africa is the most recent one, whose restrictions greatly affect us in British Columbia—it must be plain that the cause of these restrictions on goods is the rigid exchange rate maintained by the countries which signed the Bretton Woods agreement. What I am suggesting to the minister is that, as a matter of government policy, this country should let its own currency find its proper level.

Mr. Abbott: What level is that?

Mr. Merritt: And that it should bring its influence to bear upon the other countries which are signatories to that agreement, with a view to their doing the same thing, so that we may bring about a proper relationship between our rates of exchange and our terms of trade and those of the countries of the world, and get back to some kind of normal flow of trade.

Mr. Abbott: Would my hon. friend allow a question?

Mr. Green: No.

Mr. Abbott: Just one more question.

Mr. Merritt: One more when I have finished.

Mr. Abbott: One more, and I will not ask anything further.

Mr. Knowles: Is the hon. member getting time and a half on this, as overtime?

Mr. Abbott: Just one more question; will my hon. friend allow it?

Mr. Merritt: Yes.

Mr. Abbott: Has he read the Bretton Woods agreement?

Mr. Merritt: Yes, Mr. Speaker, I read the Bretton Woods agreement. I read it in 1945 when my hon. friends of the Social Credit party were putting on quite a filibuster against it. I will tell the Minister of Finance the clause in the Bretton Woods agreement which I liked best of all when I read it, after listening to the speeches of my hon. friends of the Social Credit party. It was the clause which said that any country could withdraw from the Bretton Woods agreement without any lengthy notice.

Mr. Abbott: I should like to ask another question but I said I would not. Does my hon. friend suggest that we should withdraw from the Bretton Woods agreement? I should not ask the question.

Mr. Merritt: Mr. Speaker, I do not think it is the wish of the hon. member who is to follow me to start his speech at this late hour; therefore perhaps I might say one word and then conclude. To get back to what I had intended to say when the Minister of Finance interrupted me, and in conclusion, I wish to say to him that in British Columbia we believe that we have a tremendous opportunity for progress and prosperity if we can attract to our province large amounts of outside capital to expand our industry, and of course a large number of new people to work in that production and to provide the additional market for our goods. I believe that people and capital alike, because capital is only savings in the hands of the people, are attracted by freedom, and not by restriction. No matter how proud the government and the Minister of Finance may be of his present restrictive policy—

Mr. Abbott: He hates it as much as the hon. member does.

Mr. Merritt: —I am sure that they will do nothing to enable us in this country to go ahead to the expanded future which we see before us under freedom. I suggest to the minister that he take seriously some of what I have said this evening. If he does, I think he will find in it the kernel of what is wrong with his policy, and some useful suggestions as to how we, when we come into power in a very short time, will set things right.

On motion of Mr. Knight the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. MacInnis: What is the business for Monday?

Mr. Fournier (Hull): On Monday we shall continue this debate.

At 10.30 p.m. the house adjourned, without question put, pursuant to the order of the house passed on February 22, 1949.

HOUSE OF COMMONS

Monday, February 28, 1949

The house met at three o'clock.

PRIVILEGE

REFERENCE TO REPORTED STATEMENT OF MR. DREW AT MCGILL UNIVERSITY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I rise on a question of personal privilege affecting my position as leader of the government in this house.

The question of privilege arises out of a statement the leader of the opposition (Mr. Drew) is reported in this morning's Montreal *Gazette* to have made at McGill university on Saturday afternoon. The statement, which is in very sweeping terms, refers to certain measures the government is seeking to introduce in this house, measures which the leader of the opposition has not yet seen but which nevertheless he condemns unseen.

There are two sentences in the reported statement which cannot be allowed to pass without an immediate challenge. They are as follows:

Make no mistake about it; we are fighting for personal and economic freedom here in Canada today.

Some hon. Members: Hear, hear.

Mr. St. Laurent: It is edifying to hear this applause.

We are in a very real danger of losing that fight to the bureaucrats who accept the basic philosophy of Karl Marx no matter what political name they may adopt.

By bureaucrats the public is apt to understand the senior members of the public service and to regard that statement as an indiscriminate attack upon them. It will also no doubt be regarded as an attack on the government which is responsible—and alone responsible—for the measures brought before this house. That aspect of the matter, however, is one about which I make no complaint, because we are prepared and able to defend the government at all times, no matter what charges are leveled against us. But if the leader of the opposition has proof that deputy ministers or any other senior civil servants "accept the basic philosophy of Karl Marx", let him name the individuals and produce his proofs.

Some hon. Members: Order.

Some hon. Members: A political speech!

Mr. Graydon: What is the question of privilege?

Mr. St. Laurent: My privilege is to be advised by reliable public servants; and if the leader of the opposition has any information which would discredit any of the senior public servants who advise the government it is my privilege, the privilege of parliament and the privilege of my country to have him name them and offer his proof.

Those of us who know our conscientious and hardworking public servants are apt to regard as absurd any such general charge. But the general public do not and cannot know the members of the public service as we do. I feel I would be failing in my duty if I did not publicly repudiate as irresponsible and unwarranted such an attack on a group of people who, by our constitutional practice, are not in a position to defend themselves unless charged individually and specifically.

In the long run I do not think our people will be much impressed by sweeping and irresponsible statements which are not backed up by the slightest bit of evidence. That is not the Canadian tradition of justice and fair play.

Mr. George A. Drew (Leader of the Opposition): The Prime Minister (Mr. St. Laurent) has invited an answer to his political speech, and I accept that invitation. If he had taken the trouble to read the speech, even as reported in the limited space given it in the press, he would have seen that I was referring to the appointment of controllers, priority officials and people who are not his senior civil servants but who under these acts have powers equal to any powers conferred by any authoritarian state in the world today.

Since the Prime Minister has challenged my remarks as ridiculous, I accept the challenge and say that the last man in Canada who should challenge me in regard to the abuse of power is the Prime Minister himself. I have not forgotten that, as Minister of Justice, the present Prime Minister laid charges against public men that had no relation to the law. He had neither the courage to proceed nor the decency to apologize.

Mr. Speaker: Order. The Prime Minister raised a question of privilege and the leader of the opposition may reply, but I would ask

him to be kind enough to confine his remarks to the question of privilege.

Mr. Drew: I am very happy to do so. The Prime Minister has prepared a statement—it is in the hands of all the representatives of the press. It creates an impression that bears no relation to any careful reading of the speech I made on Saturday. He has challenged the evidence of the abuse of powers. I say that no man in Canada has abused power more than the present Prime Minister.

I have a particular reason for remembering that he it was who, as minister of justice, laid a charge against a man then in public office and, I repeat, he had neither the courage to proceed nor the decency to withdraw or apologize for that charge. Then, in order that his position might not be exposed, he used the power of censorship under his department to prevent the publication of a letter which would have shown indecent and improper use of the Royal Canadian Mounted Police by his department while he was the minister of justice.

Mr. St. Laurent: The leader of the opposition charges that this is politics, Mr. Speaker. If it is politics to ensure the proper administration of the affairs of the country, then I admit his assertion. I make no apology for defending here the good repute of the senior servants of Canada.

Mr. Drew: What is the question of privilege?

Mr. Speaker: Order.

Mr. St. Laurent: He cannot take it, but I can.

Mr. Abbott: This reminds me of Acadia university.

Mr. Garson: Or Carleton county.

Mr. Speaker: I would ask hon. members to keep order. The Prime Minister has raised a question of privilege, and the leader of the opposition has answered. I was quite generous about that. He challenged the Prime Minister, and I believe it is only fair that the Prime Minister be permitted to answer the accusation.

Mr. St. Laurent: Mr. Speaker, I am glad to see that the leader of the opposition does not venture to name any public servant, or to bring any charges against anyone. As to the charges he makes against me, I make no complaint whatever; I am prepared to meet them at any time and at all times. If the leader of the opposition thinks he can convince the Canadian public that there is a vestige of truth in what he has stated here this afternoon, he is welcome to the opportunity of doing so.

Mr. Speaker: Order.

[Mr. Speaker.]

Mr. St. Laurent: I completely and unreservedly deny the charges he has made here. An incident occurred some years ago that seemed to constitute a violation of the defence of Canada regulations. I consulted two of the most prominent lawyers of the bar of Toronto, and I followed their advice in everything that was done about that matter.

Mr. Drew: Mr. Speaker, I challenged—

Some hon. Members: Order.

Mr. Speaker: Order. I would ask hon. members on both sides of the house to abide by the rules. It is the duty of the Speaker to protect freedom of speech. The leader of the opposition should be allowed to say a word, but I suggest to him that he do not start another debate.

Mr. Drew: Mr. Speaker, the Prime Minister has taken the position that he is prepared to challenge the truth of what I have said. I shall tomorrow, therefore, lay on the table a letter written to the Prime Minister of Canada, referring to this subject, which deals fully with the Prime Minister's position in that matter.

Mr. Abbott: How about naming the bureaucrats, too?

QUESTIONS

(Questions answered orally are indicated by an asterisk).

WHEAT—DELIVERIES UNDER CANADA-UNITED KINGDOM AGREEMENT

Mr. Fair:

1. What quantity of wheat was delivered under the British wheat agreement in each of the crop years 1946-47, 1947-48 and the first six months of the 1948-49 crop year?

2. At what price per bushel was this wheat sold?

3. During each of the above periods, what quantity of class II wheat was sold?

4. What was the average price per bushel obtained?

Mr. McIlraith:

1. Wheat delivered under the Canada-United Kingdom wheat agreement:

Agreement year	Million bushels
1946-47	169·0
1947-48	170·6
1948-49 (Aug. 1/48 to Jan. 31/49)	61·6

2. Selling price per bushel (Canada-United Kingdom agreement): 1946-47, *$1.55 per bushel; 1947-48, *$1.55 per bushel; 1948-49, *$2.00 per bushel—basis No. 1 northern wheat in store Fort William-Port Arthur, Vancouver or Churchill.

* Exclusive of carrying charges amounting to 3 1/2 cents per bushel during 1946-47 and 1947-48 and 5 cents per bushel during 1948-49.

3. Class II wheat sales

	Million bushels
1946-47	71·9
1947-48	17·7

4. Average per bushel (class II) for all grades shipped:

1946-47	$2.41
1947-48 (prel.)	$2.77

N.B.—"Wheat", in all cases, includes wheat and wheat flour.

WHEAT—CANADA-UNITED KINGDOM AGREEMENT —SALES TO OTHER COUNTRIES

Mrs. Strum:

1. What has been the initial payment for wheat to date in each year of the British wheat contract?
2. What have been the supplementary payments on participation certificates?
3. To what countries, outside of the British wheat agreement, has Canada sold wheat?
4. What was the (1) average price; (2) total amount; (3) total revenue each year, of the wheat thus sold outside the British wheat contract?
5. What period of time will the new wheat contracts cover; (a) with the British government; (b) with each of any other countries?
6. What is the price being paid to the farmers for their wheat under these new contracts?

Mr. McIlraith:

1. Initial payment for wheat:

The Wheat Board Act provides for the initial payment to be increased from time to time. Two supplementary payments of 20 cents each have been declared bringing the total initial payments to:

1946-47—$1.35 per bushel, plus 20 cents, plus 20 cents—$1.75, basis No. 1 northern wheat in store Fort William-Port Arthur or Vancouver.

1947-48 (August 1, 1947 to March 31, 1948)—$1.35 per bushel, plus 20 cents, plus 20 cents—$1.75, basis No. 1 northern wheat in store Fort William-Port Arthur or Vancouver. (April 1, 1948 to July 31, 1948)—$1.55 per bushel, plus 20 cents—$1.75, basis No. 1 northern wheat in store Fort William-Port Arthur or Vancouver.

2. Supplementary payments on participation certificates:

Answered by No. 1.

3. Countries outside of Canada-United Kingdom wheat agreement purchasing Canadian wheat:

1946-47: Barbados, Belgium, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, France, Honduras, India, Ireland, Jamaica, Netherlands, Newfoundland, Norway, other British West Indies, Peru, Portugal, South Africa, St. Vincent, Switzerland, St. Pierre, Trinidad, and United States. Also small quantities of seed wheat to: Cuba, Greece, Guatemala, Hungary.

1947-48: Barbados, Belgium, Jamaica, Netherlands, Italy, St. Vincent, Trinidad, and United States.

Questions

4. Details of wheat sales outside of the Canada-United Kingdom wheat agreement:

(1) Average Price—For all Grades Shipped

1946-47	$2.41
1947-48 (Prel.)	2.77

(2) Total Quantity (Bushels)

1946-47	71,878,528-46
1947-48 (Prel.)	17,694,114-46

(3) Total Value

1946-47	$173,422,749.35
1947-48 (Prel.)	49,087,578.66

5. (a) The only wheat contract now in force is that between Canada and the United Kingdom, namely the Canada-United Kingdom wheat agreement signed July 24, 1946 effective until July 31, 1950.

(b) Answered by (a).

6. See answer to questions 1 and 5.

N.B.—"Wheat" in all cases, includes wheat and wheat flour.

TRANSFERS TO THE NETHERLANDS OF ARMY STORES AND EQUIPMENT

Mr. Stewart (Winnipeg North):

1. What stores and equipment have been or will be transferred to the Netherlands government as a result of the agreements signed at The Hague, November 28, 1946, and October 28, 1948?
2. What was the cost to the Netherlands government?
3. What was the original cost to the Canadian government?
4. What amphibious vehicles were transferred?

Mr. Baker:

1. Canadian army field force stores and equipment physically situated in the Netherlands and not required by the post-war Canadian armed forces in Canada, including stores and equipment war damaged or reduced to scrap through operations; also a small amount of Canadian army surplus stores and equipment in the United Kingdom and elsewhere in Europe.

2. $29,300,000.

3. This figure could only be given by going back to get the costs of thousands of individual items.

4. Approximately seventy, some in very dilapidated condition.

FOREIGN EXCHANGE CONTROL—PAYMENTS TO DEALERS

Mr. Fulton:

How much has been paid to authorized dealers pursuant to section 17 of the Foreign Exchange Control Act in every year since the coming into force of that act to date?

Mr. Belzile: 1947, $4,799,273.81; 1948, $4,955,856.04.

Questions

AGRICULTURAL PRICES SUPPORT ACT

Mr. Argue:

1. What have been the total expenditures made for the purposes of the Agricultural Prices Support Act since 1944?

2. Of the $200 million provided for the purposes of the act, what sum is still available for support of agricultural prices?

3. What agricultural products have received support under the act, and what amount has been paid for the support of each agricultural product in each year?

4. What agricultural products are supported under the act and at what price is each product supported?

Mr. McCubbin:

1. $4,557,546.66.

2. $196,674,860.01. Net expenditures in fiscal years 1946-47 and 1947-48 were recouped to the agricultural prices support fund by votes of parliament.

3. Nova Scotia apples, 1947 crop: 1947-48, $1,000,000.00; 1948-49, $2,299,416.97.

Nova Scotia apples, 1948 crop: 1948-49, $1,025,723.02.

New Brunswick and Prince Edward Island potatoes, 1946 crop: 1946-47, $109,395.18; 1947-48, $61,353.30.

In the year 1946-47 the contracts with Great Britain in respect to meats, dairy products and eggs were financed under the Agricultural Prices Support Act. There was an over-all deficit of $61,658.19 on the transactions involved.

4. Potatoes grown in Prince Edward Island and in designated areas of New Brunswick in 1948: $1.15 per 100 lb. for Canada No. 1 grade potatoes in growers' bins on and after April 1, 1949.

Apples grown in designated areas of Nova Scotia in 1948: $3.90 per barrel if the apples are sold by the board as fresh apples; $2.50 per barrel if the apples are processed by the board as dried apples or concentrated apple juice.

Apples grown in designated areas of British Columbia in 1948 (to a maximum of 250,000 boxes): $2.00 per packed box for the varieties Newton, Stayman and Rome Beauty of sizes 180, 198, 216 and 234, and for the variety Winesap of sizes 216, 234 and 252 .

Dried white beans grading Canada No. 1 and Canada No. 2 grown in 1948 in Ontario: $3.75 per bushel delivered to warehouse. (Support program to include purchase of approximately 35,000 bushels for refugee relief plus such payments as may be necessary —to a maximum of $200,000—to meet any deficiency between the support price actually realized by farmers in marketing the product.)

FOREIGN EXCHANGE CONTROL—PURCHASE OF CURRENCIES

Mr. Fulton:

1. What has been the amount expended for the purchase of (a) gold; (b) United States currency; (c) foreign currencies other than currencies of the United States with moneys in or advanced to the exchange fund account for every year since the enactment of the Exchange Fund Act to the enactment of the Foreign Exchange Control Act?

2. What has been the expenditure under the same headings as in part 1 of this question, for every year since the enactment of the Foreign Exchange Control Act to date?

Mr. Belzile:

1.	Gold (Net purchases +)	United States dollars (Net sales —)	Other foreign currencies
Prior to Sept. 15, 1939, when foreign exchange control order passed	Nil	Nil	Nil
Sept. 15, 1939-Dec. 31, 1940	+ $150,006,494	+ $190,053,890	+ $ 61,291,373
1941	— 693,583	— 159,008,497	+ 567,485,193
1942	+ 21,120,068	+ 65,683,482	— 618,339,337
1943	+ 76,369,022	+ 287,150,733	— 50,421
1944	+ 76,523,815	+ 173,084,061	— 4,015,495
1945	+ 64,899,176	+ 457,319,527	+ 1,322,545
1946	+ 147,813,412	— 328,034,611	— 1,350,769
2.			
1947	— 249,402,153	— 514,414,744	+ 2,432,043
1948	+ 114,714,312	+ 402,631,226	— 879,969

HOUSING—ALBERTA—BOW RIVER CONSTRUCTION COMPANY

Mr. Johnston:

In view of the foreclosure proceedings by the Manufacturers Life Insurance Company of Calgary, Alberta, against home owners who have houses under construction by the Bow River Construction Company, will the government see to it that these veterans and some civilians will not lose their financial equity in their property as a result of these foreclosures?

Mr. Winters: There is no contractual relationship between the purchasers of these houses and either the government or the government agency, Central Mortgage and Housing Corporation. The foreclosure pro-

ceedings now in progress against the Bow River Construction Company and its purchasers fall into two general classes. Some actions are being taken because purchasers in possession of their properties have refused to make payments on their mortgage accounts. The second class of action consists of those taken on unfinished houses, and the actions are necessary to clear the title status so that construction may be resumed.

TRADE AGREEMENTS—CANADA-U.S.S.R.

Mr. Hansell:

1. Does any trade agreement exist at the present time between Canada and the U.S.S.R.?
2. If so, when did the agreement come into effect, and when will it expire?

Mr. Pearson:

1. No.
2. Answered by No. 1.

WARTIME PRICES AND TRADE BOARD—PROSECUTIONS IN PICTOU COUNTY, N.S.

Mr. Black (Cumberland):

1. How many prosecutions were made in Pictou county, Nova Scotia, under the wartime prices and trade board regulations during the years 1943 to 1948, inclusive?
2. What was the total amount collected in fines from such prosecutions?
3. Who acted as counsel for the department during these prosecutions and how much money was paid to such counsel?

Mr. Belzile:

1. 52.
2. $4,405.
3. J. H. Power, K.C., $3,850.46; E. M. MacDonald, $45.12.

CANADIAN NATIONAL RAILWAYS—LINE FROM ISLAND POND, VERMONT TO PORTLAND, MAINE

Mr. Hazen:

1. What were the gross earnings, and the net earnings of the Canadian National Railways line that runs from a point near Island Pond, Vermont, to Portland, Maine, in 1947 and 1948?
2. What were the operating expenses of the Canadian National Railways on this line in 1947 and 1948?
3. How much of the operating expenses in 1947 and in 1948 were paid in United States dollars?
4. How much of the gross earnings in 1947 and 1948 were received in United States dollars?

Mr. Chevrier:

	1947	1948
1.		
Gross earnings ...	$2,183,700	$2,405,000
Net earnings—loss	511,922	572,162
2.	2,695,622	2,977,162
3.	2,339,322	2,610,187
4. Estimated	1,848,700	2,085,000

BOW RIVER CONSTRUCTION COMPANY

Mr. Johnston:

What are the qualifications of the contractors of the Bow River Construction Company, Calgary, Alberta, as to building experience?

Mr. Winters: The Bow River Construction Company was a new company formed early in 1947. The Bow River company, therefore, as such entered its first building operations in 1947.

It is not unusual in the construction business for a number of principals with the necessary capital to form a new company.

The customary plan usually followed following the formation of a new company is for the company to arrange either to let contracts to regular building contractors for the building of their houses, or to appoint a construction superintendent to supervise the construction of the houses. Subcontracts are usually let for plumbing, heating, wiring, etc.

The Bow River company proved to the satisfaction of the Manufacturers Life Insurance Company that it had the necessary working capital to finance its building program. Individual loan approvals were granted for the various houses on the understanding that the houses would be built according to National Housing Act minimum standards of construction. It was the obligation of the Bow River Construction Company to ensure the employment of competent construction personnel to carry out its commitments under the loan approvals granted to it by the Manufacturers Life Insurance Company.

RADIO RECEIVING LICENCES—PROSECUTIONS IN PICTOU COUNTY, N.S.

Mr. Black (Cumberland):

1. How many people were prosecuted in the county of Pictou, Nova Scotia, for failure to have a radio licence during the years 1944 to 1948 inclusive?
2. What was the total amount collected in fines from such prosecutions?
3. Who acted as counsel for the department during these prosecutions and how much money was paid to such counsel?
4. Who acted as agents for the department and how much money was paid to each of such agents?

Mr. Chevrier:

Fiscal Years

1. 1943-44	21
1944-45	Nil
1945-46	42
1946-47	67
1947-48	36
1948-49 to February 25	117
2. 1943-44	$ 74
1944-45	Nil
1945-46	210
1946-47	215
1947-48	180
1948-49 to February 25	567

3. Nil.

4. Departmental radio inspectors. No remuneration other than regular salaries.

Questions

POST OFFICE BUILDINGS IN NOVA SCOTIA

Mr. Isnor:

1. On what dates did the Public Works Department construct buildings for use by the Post Office Department in Nova Scotia at (a) Sherbrooke; (b) Dominion; (c) Kingston; (d) Canso?

2. On whose recommendation were such buildings constructed?

Mr. Fournier (Hull):

1. (a) Commenced in March 1930 and completed in November 1930.

(b) No building erected.

(c) No building erected.

(d) Commenced in April 1945 and completed in May 1946.

2. On the recommendation of the Post Office Department.

FLIN FLON, MAN., POST OFFICE BUILDING

Mr. Moore:

1. Has a contract been let for the construction of a post office at Flin Flon, Manitoba?

2. If so, what are the names of those who submitted tenders?

3. Who was awarded the contract?

Mr. Fournier (Hull):

1. No.

2 and 3. Answered by No. 1.

HOUSING—AJAX, ONT.

Mr. Williams:

1. How many houses are being constructed by Central Mortgage and Housing Corporation in Ajax?

2. What is the expected construction cost for each house?

3. Are such houses for sale? If so, what will be the selling price for each house?

4. Is each house under construction in Ajax by Central Mortgage and Housing Corporation intended to provide the same family accommodation? If not, to what extent do they differ?

5. Is it intended that any of these houses shall be for rent?

6. If so, what monthly rental will be charged?

Mr. Winters:

1. One hundred units as a housing project plus four experimental units being constructed for research purposes.

2. With respect to the 100 units, the expected construction cost is $7,020, which includes connections to main sewer and water services, landscaping, sidewalks, driveway, etc.

3. It is not yet decided whether any of these houses will be for sale.

4. All houses are the same basic type having five rooms (three bedrooms).

5. Yes.

6. Monthly rental rates will be decided when construction nears completion and costs are known. According to present cost estimates, it is expected these rentals will be approximately $37.50 per unit per month.

[Mr. Chevrier.]

POSTAL SERVICE—OFFICES WITH REVENUES UNDER $25—LOSS ON NEWSPAPERS AND PERIODICALS

Mr. Nicholson:

1. How many post offices in each province reported for the last fiscal year revenue less than twenty-five dollars?

2. What was the estimated loss sustained by the Post Office Department last year in handling newspapers and periodicals mailed by publishers?

Mr. Bertrand (Laurier):

1.

Nova Scotia	38
New Brunswick	19
Prince Edward Island	nil
Quebec	9
Ontario	14
Manitoba	1
Saskatchewan	10
Alberta	6
British Columbia	3
Northwest Territories	1
Yukon	1
Total	102

2. $7,460,689.

CANADIAN BROADCASTING CORPORATION—EMPLOYMENT OF KING GORDON

Mr. Isnor:

1. Has King Gordon been employed by the Canadian Broadcasting Corporation during the present year?

2. If so (a) on what dates; (b) at what salary; (c) for what services?

Mr. McCann:

1. Yes.

2. (a) On a continuous basis under contract as C.B.C. special correspondent, United Nations.

(b) It is not considered to be in the public interest to disclose the amounts paid to those employed by C.B.C.

(c) See 2a.

CANADIAN BROADCASTING CORPORATION—EMPLOYMENT OF ROBERT MCKEOWN

Mr. Isnor:

1. Has Mr. Robert McKeown, of the Montreal *Standard*, been employed by the Canadian Broadcasting Corporation during the present year?

2. If so (a) on what dates; (b) at what salary; (c) for what services?

Mr. McCann:

1. Yes.

2. (a) January 30 (national service); January 31, February 2, 14, 17 (international service).

(b) It is not considered to be in the public interest to disclose the amounts paid to those employed by C.B.C.

(c) As commentator on per-occasion basis.

FOREIGN SERVICE OFFICERS AND ADMINISTRATIVE STAFFS ABROAD—LEAVE AND ALLOWANCE REGULATIONS

Mr. Fulton:

1. Under what authority were orders in council P.C. 209/2166, and P.C. 210/2166, dated May 14, 1948, passed?

2. When were these orders in council published in the *Canada Gazette*?

Mr. St. Laurent:

1. These minutes of treasury board set up leave and allowance regulations for foreign service officers and administrative staffs abroad.

Provision for special leave and allowances had been made in the Department of External Affairs and the Department of Trade and Commerce ever since the opening of our first foreign diplomatic mission in 1927. The minutes of treasury board referred to above were an attempt to consolidate and clarify these provisions and, in addition, to extend them to other departments having personnel abroad in order to provide for uniformity of treatment.

In so far as allowances are concerned, the governor in council, under his general executive authority, can prescribe allowances in lieu of expenses for government employees. These allowances are provided out of parliamentary votes for administrative expenses.

A certain number of the government employees in missions abroad are exempt from the provisions of the Civil Service Act. In so far as this category of employee is concerned, the governor in council can prescribe special leave regulations. In the case of employees coming under the provisions of the Civil Service Act, however, special leave regulations can only be approved by the governor in council on the recommendation of the civil service commission. In passing treasury board minutes P.C. 209/2166 and P.C. 210/2166 this provision of the Civil Service Act was apparently overlooked, no doubt in view of the fact that this practice had been followed for many years under various administrations. This matter was first brought to our attention by the Auditor General's report for the fiscal year ending March 31, 1948, and the necessary steps will be taken to have the position regularized.

2. These treasury board minutes were not published in the *Canada Gazette*, since it is not the practice to publish minutes dealing exclusively with the internal administration of government departments.

POST OFFICES—NOVA SCOTIA—ANNUAL REVENUE

Mr. Isnor:

What was the annual revenue for the past five years in each of the following post offices in Nova Scotia: (a) Sherbrooke; (b) Dominion; (c) Kingston; (d) Canso?

Mr. Bertrand (Laurier):

Revenue for Fiscal Year Ended March 31

	1944	1945	1946	1947	1948
Sherbrooke, N.S.	$ 2,844.12	$ 3,080.52	$ 2,842.51	$ 2,836.71	$ 2,854.12
Dominion, N.S.	5,593.92	5,934.94	4,393.13	4,451.77	3,854.60
Kingston, N.S.	21,476.85	15,466.86	8,032.97	7,055.41	8,124.92
Canso, N.S.	6,415.57	6,736.86	6,291.92	6,220.90	5,621.44

*TRANS-CANADA HIGHWAY

Mr. Black (Cumberland):

1. What recommendations have been made by the different provinces of Canada with respect to possible routes of the trans-Canada highway?

2. What was the date of each such recommendation and what is the mileage of each route recommended by each province?

3. What routes have been approved by the federal government?

4. What is the total cost to date of construction of the trans-Canada highway in each province and what contribution did the dominion government make in each province towards such construction?

Mr. MacKinnon: There is very little that I can add to the reply made by me in the house on February 15 last to a similar question asked by the hon. member for Vancouver South (Mr. Green). All the information which we requested from the provinces has not yet been received. I expect we shall be asked to treat some of it as confidential. I have written to all the provinces asking whether there is objection on their part to making any or all of the information public. Until their wishes are ascertained and the complete information is available, it will be impossible to answer this question further. We have recently sent follow-up letters to some of the provinces which did not reply to our first letters.

FLOOD CONDITIONS—WINNIPEG

Mr. Stewart (Winnipeg North):

What steps are being taken by the federal government in conjunction with other authorities to avert serious flood conditions in Winnipeg which may arise as the result of the exceptionally heavy snow fall?

Mr. Fournier (Hull): In order to avert flooding as far as possible this department has now opened all the gates in the dam at St. Andrews. In addition to this, the department is prepared to open the lock gates should it be seen that this will alleviate conditions.

VEGETABLE OILS—REMOVAL OF RESTRICTIONS ON IMPORTS

Mr. Hatfield:

1. When were the restrictions removed against importations of vegetable oils into Canada?
2. What were the reasons for the removal of such restrictions?

Mr. McIlraith:

1. February 17, 1949.

2. Vegetable oils were originally placed under import control as a means of implementing the allocation of vegetable oils by the international emergency food council. On February 10, 1949, the international emergency food council discontinued the allocation of vegetable oils, thereby removing the legal basis for import control in Canada.

PARENT, QUE., POSTMASTERSHIP

Mr. Caouette:

1. Who is the postmaster at Parent, county of Chapleau?
2. When was he appointed and upon whose recommendation?
3. Were representations made by the citizens of Parent regarding this appointment?

Mr. Bertrand (Laurier):

1. Joseph Napoleon Arthur Dupont.

2. (a) 18th June 1947; (b) Selected by civil service commission.

3. Yes.

INTERNATIONAL CHILDREN'S EMERGENCY FUND—CANADIAN CONTRIBUTIONS

Mrs. Strum:

What amounts of money did the federal government make available to the united nations international children's emergency fund in the years (a) 1947; (b) 1948?

Mr. Pearson: (a), $5,000,000; (b) $200,000 (through the Canadian appeal for children).

QUESTIONS PASSED AS ORDERS FOR RETURNS

NATIONAL FILM BOARD—EMPLOYEES—SALARIES, ETC.

Mr. Fraser:

1. How many men and women were employed by the national film board during 1948?
2. What was the total amount of salaries paid to these employees during 1948?
3. What was the total amount of travelling expenses for all employees of the national film board during the year 1948?

[Mr. Stewart (Winnipeg North).]

4. How many of the above employees are employed outside of Canada and what are their (a) names; (b) salaries; (c) duties of each of them?

Mr. Winters: Return tabled.

PENITENTIARIES—ST. VINCENT DE PAUL—MAGAZINES

Mr. Gauthier (Portneuf):

What are the names of the magazines circulating in the St. Vincent de Paul penitentiary?

Mr. Garson: Return tabled.

VETERANS LAND ACT—SASKATCHEWAN

Mr. McCuaig:

1. Under the Veterans Land Act, in the province of Saskatchewan, from January 1, 1948, to December 31, 1948, what has been the total number of (a) service men settled on farms (not small holdings); (b) loans made to such veterans, by districts?
2. What was the total amount of salaries, travelling and other expenses in connection with the administration of the above?

TRANS-CANADA AIR LINES—DAMAGE TO AIRCRAFT AT RESERVE AIRPORT, N.S.

Mr. Isnor:

1. Was a trans-ocean North Star T.C.A. plane damaged by fire at the reserve airport, Nova Scotia, on August 11 or 12, 1948?
2. If so (a) was an inquiry held to ascertain the cause; (b) was cause discovered; (c) what action, if any, has since been taken to prevent a recurrence?
3. What was the total loss sustained?
4. Are there any Department of Transport regulations requiring airports to maintain fire-fighting equipment?

HOGS MARKETED IN CANADA AND PORK CONSUMED AND EXPORTED

Mr. McCuaig:

How many hundredweight of hogs were marketed in Canada in the years 1940 to 1948 inclusive, and how much pork was (a) consumed in Canada; (b) exported?

PUBLIC BUILDINGS—ONTARIO

Mr. Lockhart:

1. Have recommendations been made by the Post Office Department for new or improved public buildings in the province of Ontario?
2. If so, in what villages, towns or cities have improved facilities been recommended?
3. Are plans being prepared by the public works department for new or improved public buildings in the province of Ontario?
4. If so, in what villages, towns or cities?

TELEVISION RECEIVING SETS

Mr. McKay:

1. How many television receiving sets are licensed in Canada at present?
2. What is the licence fee?
3. What companies manufacture television receiving sets in Canada?

GOVERNMENT CONTRACTS—CHURCHILL AREA

Mr. Moore:

1. What was the value of government contracts let in the Churchill area in 1946, 1947 and 1948?
2. How are these contracts let?
3. What companies submitted tenders?
4. To whom were such contracts awarded?
5. Were any sub-contracts let?
6. If so, to whom?

FLOOD CONDITIONS—BRITISH COLUMBIA

Mr. Campbell:

How much money was expended by the federal government to alleviate flood conditions (a) in the Fraser Valley district; (b) in other parts of British Columbia?

POTATOES—REGULATIONS AFFECTING SHIPMENTS TO THE UNITED STATES

Mr. Hatfield:

What steps have been taken by the Department of Agriculture or the Department of Trade and Commerce towards having discussions with Washington in regard to regulations for the shipments of our 1949 potato crop so that the potato growers can be advised in time to make arrangements for the planting of their crop?

RADIO RECEIVING LICENCES

Mr. Caouette:

1. From January 1, 1940 to January 1, 1949, by provinces, how many radio receiving licences have been issued each year?
2. During the same period, how many Canadians were fined for failure to obtain such licences?
3. What was the total amount of fines collected each year during the above period?
4. Since 1940, what was the yearly cost of collecting such fines in judicial proceedings, salaries and other expenses?
5. How many dominion civil servants are employed in connection with radio receiving licences?

WAR ASSETS—M. V. "KIPAWO"

Mr. Nowlan:

1. Was the M.V. *Kipawo* sold by War Assets Corporation?
2. If so, was such sale effected by tender or by private contract?
3. If by tender, what were the names of the persons or firms submitting such tenders, and the amounts thereof?
4. Who purchased the said *Kipawo*, and for what amount?
5. Has any provision been made respecting a subsidy for the re-establishment of a ferry service operating between ports on the Minas basin?

(Translation):

PRIVILEGE

NOTICES OF MOTIONS STRUCK OFF THE ORDER PAPER

Mr. Paul E. Gagnon (Chicoutimi): Mr. Speaker, notices of motions Nos. 26 and 32 which appear on the order paper for Friday, February 25 last, have been struck off today's order paper. The right hon. leader of the government might perhaps tell me why and under whose authority this was done?

Mr. St. Laurent: Mr. Speaker, I was not aware that anything had been struck off the order paper. I will note the hon. member's remarks and see to it that this mistake is corrected if necessary.

Mr. Gagnon: Thank you.

(Text):

MOTIONS FOR PAPERS

AGRICULTURAL PRICES SUPPORT BOARD—STARCH AND POTATO SUPPORT PROGRAM, 1948-49

Mr. Hatfield:

For a copy of all correspondence, telegrams and agreements, exchanged between Washington and Ottawa by the agricultural prices support board and the Department of Trade and Commerce regarding potatoes, potato support program and embargoes for the years 1948 and 1949.

WHEAT BOARD—OATS AND BARLEY

Mr. Bentley:

For a copy of all letters, telegrams and other documents exchanged between the premier of Manitoba or any department of the government of Manitoba and any minister or department of the federal government, from March 11, 1948, to February 21, 1949, with respect to the need of enabling legislation by the provinces regarding the inclusion of oats and barley in the operation of the wheat board.

PROTECTION OF CHILDREN ADOPTED IN NEW BRUNSWICK

Mrs. Strum:

For a copy of all correspondence, telegrams, agreements and other documents, exchanged since 1946 between officials of the government of New Brunswick, and/or other persons, and the various departments of the federal government, with regard to the existing protection afforded Canadian children available for adoption in that province.

INCOME TAX

PAYMENT BY FARMERS THROUGH CANADIAN WHEAT BOARD

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I wish to direct a question to the Minister of National Revenue. Is he aware that where income tax is owing for any one of the crop years for which additional payments are to be made by the Canadian wheat board, the income tax department is forwarding a letter to be signed by the farmer and sent to the Canadian wheat board, authorizing the board to mail to the director of income tax, Saskatoon, Saskatchewan, any cheques covering the proceeds of payments to the farmer? An accompanying letter contains one sentence which reads as follows:

It would not appear that the proceeds of your 1948 crop will permit the liquidation of your income tax indebtedness at this time.

Inquiries of the Ministry

The farmer who writes to me is relying on the additional payments to meet his cost of living and farming operations this spring. Is not the suggestion of the department an interference with the right of the individual to dispose of his funds as may be most beneficial to him?

Hon. J. J. McCann (Minister of National Revenue): The hon. gentleman was good enough to give me notice of his question. I would think that, either in the typing or writing of it, an error has been made. As the hon. member read it, it states: "It would not appear that the proceeds," and so on. The logical reading of it would seem to be, "It would now appear . . ."

Mr. Coldwell: There may have been a typographical error; I will check that.

Mr. McCann: Then the sentence would read:

It would now appear that the proceeds of your 1948 crop will permit the liquidation of your income tax indebtedness at this time.

My answer is that I am aware of the practice that is being followed. It is an ordinary business practice that is followed every day in every line of business throughout the country. It simply means that the department indicates to the taxpayer that the payment coming to him from the wheat board will permit him to liquidate his indebtedness so far as income tax is concerned. He is asked to give us an order on the wheat board for the amount owing him. It is not obligatory.

There is no suggestion of any interference with the right of the individual to dispose of his funds in any way he pleases.

TAX YEAR TO WHICH ADDITIONAL WHEAT PAYMENTS SHOULD BE APPLICABLE

On the orders of the day:

Hon. J. J. McCann (Minister of National Revenue): On Friday last some questions were asked, by the hon. members for Lake Centre (Mr. Diefenbaker), Melfort (Mr. Wright) and Acadia (Mr. Quelch), with reference to the tax year in which additional wheat payments were applicable for income tax purposes.

The answer is that, as was done in former years, appropriate action will be taken to ensure that the farmer will not have to pay more tax by reason of including this payment as income in this year than he would have paid if that amount had been included in his income in the year in which he delivered the wheat.

Mr. Fair: I should like to ask the Minister of National Revenue whether he will make a statement tomorrow clarifying the statement he has just made. When he does so, will he keep in mind the practice of the past of farmers paying taxes on these wheat payments in the year in which they are received?

Mr. McCann: I do not quite agree with the hon. gentleman that the statement needs any clarification. I think if he will read it he will find that it can be easily understood; but if at this time tomorrow he does not understand it, I shall attempt to clarify it.

Mr. Miller: Will the minister indicate how the executors or administrators of an estate should show the distribution of participation certificates now being made, as announced the other day by the Minister of Trade and Commerce? There is a mix-up between the two acts, the one that came into force on January 1, 1949, and the old act. Income taxes will soon have to be paid, and these participation payments are now going out. The question how executors and administrators should deal with these payments in the various years should be cleared up.

Mr. McCann: I do not attempt to answer legal questions. I shall refer this one to the legal advisers of my department.

RECONSTRUCTION AND SUPPLY

INQUIRY AS TO TABLING OF ANNUAL REPORTS

On the orders of the day:

Mr. Howard C. Green (Vancouver South): I should like to direct a question to the Minister of Reconstruction and Supply. Can he tell the house when the report of his department will be available? I ask that question because on the last day of the session of 1948 I brought the matter up in the house and pointed out that since the fiscal year 1944-45 no report of the department had been tabled. At that time the then prime minister promised that the report would be mailed out to the various members. I believe that so far no report has been tabled, either for 1947-48 or for the two years prior to that. The minister will find my question and the answer thereto at page 6143 of last year's *Hansard*.

Hon. Robert H. Winters (Minister of Reconstruction and Supply): I received notice of this question just as I was coming into the house, and have not had time to look into the matter. I shall be pleased to do that and answer the question later.

INQUIRY FOR RETURN

FRASER RIVER BOARD

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to direct a question to the Minister of Public Works. On Wednesday last, following a

motion of mine, an order of the house was issued for a copy of all reports submitted by the Fraser river board. I should appreciate it if the minister could have these reports expedited, because the matter will be probably coming up soon.

Hon. Alphonse Fournier (Minister of Public Works): I shall do my best to have the matter expedited.

ALASKA

RAIL CONNECTION TO BORDER BETWEEN CANADA AND UNITED STATES

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Secretary of State for External Affairs. Have any arrangements been made with the United States government about the proposed Alaska-United States railway to the United States-Canadian border? I ask the question because bills having to do with the matter have been introduced in the United States senate.

Hon. L. B. Pearson (Secretary of State for External Affairs): I was not fortunate enough to have received notice of this question before coming into the house. My understanding is that no such arrangements have been made with the United States government, but I shall look into the matter and make sure that my information is accurate.

HOGS

PRESS REPORTS AS TO WITHDRAWAL OF SUBSIDY

On the orders of the day:

Mr. G. A. Cruickshank (Fraser Valley): According to the press, Ontario has withdrawn the hog subsidy of $1 million as of December 31. My question to the Minister of Agriculture is this: Judging from what we have heard, why should it have been necessary for Ontario to have a hog subsidy?

UNEMPLOYMENT

PUBLIC WORKS—REFERENCE TO ANSWER TO QUESTION ON FEBRUARY 25

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I direct a question to the Minister of Trade and Commerce? I note that on page 903 of Friday's *Hansard* the Minister of Trade and Commerce, referring to the reply given to me by the Minister of Reconstruction and Supply, said: "There is something wrong with the answer." Will the minister tell the house what is wrong with the answer, and what the correct answer is?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I was talking to myself at that time. However, I was basing my remark to myself on the fact that as I remembered the shelf of projects they amounted to $350 million. It is my experience that the on-site labour for construction work of the type included in the shelf amounted to about thirty per cent of the cost, therefore the figures given did not seem to add up.

Mr. Coldwell: May I get the accurate figure?

Mr. Howe: Not from me.

Mr. Coldwell: Perhaps the Minister of Reconstruction and Supply has the accurate figure.

Hon. Robert H. Winters (Minister of Reconstruction and Supply): I should like to amplify the answer given by my colleague the Minister of Trade and Commerce to the hon. member for Rosetown-Biggar. It is true that a large number of projects are under consideration. The figures I tabled were only for projects on which plans and specifications are completed. The engineering work is proceeding on many others, but plans are not yet complete.

Mr. Coldwell: None are in effect yet?

Mr. Winters: No.

EMMA MOIR

EXPRESSIONS OF CONGRATULATION ON HER 105TH BIRTHDAY

On the orders of the day:

Mr. John T. Hackett (Stanstead): I should like to direct a question to the Minister of National Health and Welfare. Mrs. Emma Moir, of Beebe, Quebec, today celebrates, in good health and in full possession of her faculties, her 105th birthday. I wish to ask the minister whether the records of his department disclose another instance of equal or greater longevity.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I am sure the hon. gentleman has only lately ascertained the remarkable longevity of this woman and was not able to give me notice of his question; consequently I cannot give him an answer now, but I shall do so tomorrow.

May I take this opportunity to express to the lady in question the sincere congratulations of the government.

MERCHANT NAVY

ELIGIBLE AGE FOR VOCATIONAL TRAINING

On the orders of the day:

Mr. Rodney Young (Vancouver Centre): I wish to address a question to the Minister of Veterans Affairs. Will the minister consider

taking steps to raise the thirty-year age limit, now stipulated by P.C. 5983, under which Canadian merchant navy veterans are to receive vocational training?

Hon. Milton F. Gregg (Minister of Veterans Affairs): This question more particularly concerns my colleague the Minister of Transport.

Hon. Lionel Chevrier (Minister of Transport): Application for vocational training is made to the Department of Transport, but administered by the Department of Veterans Affairs. I may say that the age limit was based on a recommendation made by the special committee on veterans affairs which was set up by this house. I have no information at this time that the age limit is to be changed.

Mr. Cruickshank: Mr. Speaker, I may be incorrect assuming the contrary, but I should like to ask the Minister of Transport if it is definitely so that the veterans affairs committee recommended the age of thirty years?

Mr. Chevrier: The statement I made was that the age limit as recommended by the veterans affairs committee was thirty years, and that I had no information that it was to be increased.

Mr. Cruickshank: A supplementary question: is that from the veterans affairs committee or some other committee?

Mr. Chevrier: My information is that it was a recommendation of the special committee on veterans affairs.

VETERANS AFFAIRS

TREATMENT OF OUTPATIENTS IN D.V.A. HOSPITALS —DEER LODGE

On the orders of the day:

Mr. Ralph Maybank (Winnipeg South Centre): I should like to direct a question to the Minister of Veterans Affairs. Is some change being made in the manner of giving treatment to outpatients at the Deer Lodge hospital, or in the Winnipeg area? If so, what is the change? If there is no change, will the minister make a statement in the matter?

Hon. Milton F. Gregg (Minister of Veterans Affairs): I thank the hon. member for Winnipeg South Centre for giving me notice of this question.

This matter has been given careful study by the treatment services of our department. It is the considered opinion of our department that better treatment for outpatients can be given in a D.V.A. hospital than separately in a downtown centre. Since the general pressure of work across Canada has passed the post-demobilization peak, we have been able to make moves of outpatient clinics into the D.V.A. hospitals in several centres in Canada.

We believe that this method is working out for the better treatment of the veteran patients, and it has presented few administrative difficulties. In Winnipeg there has been no intention to change the existing arrangements until June 1, at which time it is planned that an increasing number of outpatients be received at Deer Lodge.

These outpatients will be in two categories: (1) after June, Deer Lodge inpatients will, when discharged, be requested to return for any future checkup to the clinic at Deer Lodge hospital; (2) an increasing number of outpatients applying at the clinic in the Commercial building downtown will be sent to Deer Lodge for outpatient treatment. The decision as to how many will be sent to the hospital will depend upon the condition of the patients.

Facilities will be maintained in the Commercial building, where minor ailments will receive treatment. For the necessary numbers to be transferred to Deer Lodge, transportation will be provided. With the gradual contraction of this clinic, starting next summer, it is expected that the plan will cause little inconvenience and will result in better medical care for the veterans.

The general idea here, as elsewhere, is to have the patient go where treatment can best be given.

NATIONAL HEALTH

FEDERAL GRANTS APPROVED AND AMOUNTS EXPENDED

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I should like to ask a question of the Minister of National Health and Welfare. Last Thursday, as recorded at page 861 of *Hansard*, I asked the minister how there could be no figures available as to the expenditure on the health grants plan when the orders in council required accounting by the provinces at the end of each month. The minister at that time offered to look into it at once. Can he tell the house now whether there are figures available as to the amount of money the dominion has actually given to each of the provinces under the health grants program, whether the orders in council have been completely disregarded by the dominion and the provinces, or whether any money has actually gone from the dominion to the provinces?

Hon. Paul Martin (Minister of National Health and Welfare): The hon. member was

kind enough to give me notice of his question. I am afraid that in a private conversation I may have misled him with respect to what appeared to be a discrepancy in the orders in council.

Mr. Coldwell: No.

Mr. Martin: His question was as to the amount of money spent by the provinces. I had misunderstood it, and on that account I gave the interpretation indicated. The amount of money actually given, apart altogether from the allocations and commitments made to the provinces by the federal government, can be given to the house, and in view of what my hon. friend has now asked, I shall see that it is done. There have been no discrepancies on the part of the provinces and the dominion government with regard to the orders in council.

WHITE BEANS

INQUIRY AS TO ADVISABILITY OF PLANTING THIS YEAR

On the orders of the day:

Mr. H. O. White (Middlesex East): I should like to ask a question of the Minister of Trade and Commerce. In view of the statement made in the house on Thursday last about the planting of flax in 1949, will the minister give some advice to the farmers as to the planting of white beans this year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I am not familiar with the situation as it applies to white beans. I understand there has been an exceptionally heavy crop and there has been some difficulty in marketing it. I am not, however, in a position to advise the farmers. My colleague the Minister of Agriculture may be in a position to do so.

Mr. White (Middlesex East): Then may I ask the Minister of Agriculture, or his parliamentary assistant?

Right Hon. J. G. Gardiner (Minister of Agriculture): In Ontario white beans are marketed under a marketing board set up by the Ontario government under the Natural Products Marketing Act. Those who are associated with that organization will be in a much better position than I am to advise the farmers. I am told there has been considerable difficulty in marketing the beans grown not only last year but in other years. I am sure the farmers in the area to which the hon. member refers are capable of making up their own minds whether they should grow as many beans this year as they did last year.

Inquiries of the Ministry

TRANS-CANADA HIGHWAY

INQUIRY AS TO PROGRESS AND CHOICE OF ROUTE

On the orders of the day:

Mr. C. E. Johnston (Bow River): I should like to ask a question of the Minister of Mines and Resources. Can he tell the house what progress is being made with regard to the completion of the trans-Canada highway, and, if possible, the route proposed?

Hon. J. A. MacKinnon (Minister of Mines and Resources): Mr. Speaker, I think the hon. member could not have been in the house earlier this afternoon when I answered a question asked by the hon. member for Cumberland (Mr. Black). The answer I gave will appear in *Hansard*, and I believe it answers sufficiently the question the hon. member now asks. The choice of a route for the trans-Canada highway is a matter for the various provinces.

NATIONAL DEFENCE

ARTILLERY RANGES—HALIBURTON COUNTY

On the orders of the day:

Mr. L. E. Baker (Parliamentary Assistant to the Minister of National Defence): I should like to answer a question asked on Monday, February 21, by the hon. member for Victoria, Ontario (Mr. Hodgson) with respect to an artillery range in Haliburton county. The answer is that no consideration is being given by the army for the establishment at this time of an artillery range in the Haliburton region.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, February 25, consideration of the motion of Mr. D. F. Brown for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. R. R. Knight (Saskatoon City): Mr. Speaker, I had intended to deal with agriculture today, and I still intend to do so. But, in view of the discussion which has arisen in regard to the employment shelf of works, I feel I must devote at least a few minutes to that particular topic. I managed today to hear the questions being asked, but I must say I did not hear clearly either of the answers given by the ministers. Therefore I shall proceed from the point I had intended in the first instance. The discussion arose as a result of certain questions asked by the hon. member for Rosetown-Biggar (Mr. Coldwell),

the leader of the C.C.F., with regard to a shelf of works the government is supposed to be holding in readiness for a period of unemployment.

These questions with the answers may be found in *Hansard* of February 23, at page 818, and also of February 25 at page 903.

The hon. member for Rosetown-Biggar on this later occasion was so amazed at the answer he had received on the previous occasion that he raised the matter again on Friday. The famous white paper on reconstruction held out hope of a tremendous program of public works for any possible period of unemployment. The then Minister of Reconstruction and Supply, and present Minister of Trade and Commerce (Mr. Howe), made this statement on the matter on April 12, 1945, during the first session of that year, as reported at page 810 of *Hansard* as follows:

> The purpose will be to have on hand at all times a shelf of public projects already planned and available when needed to stimulate employment in any given area.

We have been given to understand time and again that, if serious unemployment threatened Canada, the government had a score of projects for which contracts could be let at a moment's notice, to employ perhaps hundreds of thousands of workers. Then, in the last year or two, we have understood that plans had been made for such works as irrigation projects, roads, reforestation, and the like. We have been told that the government has been holding up needed development until employment dropped. Now, let us return to the answer given by the Minister of Reconstruction and Supply (Mr. Winters). It is an amazing answer. In the first place, it is not clear. Depending upon one's interpretation, it would appear that in one year only 32,700 or 40,200 men would be put to work on public projects. Is it any wonder that the former minister of reconstruction said last Friday that there was something the matter with that answer? He might have added that there was something wrong with the plan. It is a meagre, puny and inadequate plan to deal with the potential unemployment in this country.

If this answer is correct, it means that this government has practically no plan to meet such unemployment. Even giving the government the benefit of the doubt and accepting the figure of 40,200, let us compare that figure with the 50,000 unemployed in the urban districts of British Columbia at this very moment. There are also large numbers unemployed in the maritime provinces and I understand also in Toronto as well as in other places.

This disclosure of the meagreness of the plan is the most amazing thing that has been brought forward in this House of Commons in the short time I have been here. During the years before the war the unemployed tramped from municipality to municipality in search of work or relief. They were told that the federal government had no power to do anything. The provinces said that although they had the power, they had no money. The junior governments, the municipalities, had neither the money nor the power, and these young men were simply passed on from camp to camp or from jail to jail, these men whose only crime was that at that particular time they had no job. I ask if this Liberal government is prepared to allow conditions similar to those to return.

The leader of the opposition (Mr. Drew) does a lot of talking about provincial rights. It would seem that he would like the power and the money to which I have referred to remain in separate hands, the way they were before the war. Perhaps he might say where he stands on this particular matter of public works in Canada.

Since the dominion government can raise the money, since it has the power to initiate public works, responsibility for the unemployed of this nation must fall squarely upon its shoulders. It has the sole responsibility for the employment of the working people of this nation. The only alternative would be to have ten separate nations. May I remind the house that prior to the war the provinces had all the taxing powers which our constitution allowed them, but the programs which they were financially able to initiate were totally inadequate to meet the unemployment problem. Let me repeat that in my opinion this blueprint of the plan of government public works is totally and miserably inadequate.

I had intended to say something about agriculture. While I live in a city, there are a goodly number of farmers in my constituency. Someone has said that without the country our cities could not be. The prosperity of my own city of Saskatoon and of the other towns in that vicinity certainly depends upon the prosperity of the farmer. I am glad to say something about agriculture today especially since we in the C.C.F. group have just moved an amendment expressing non-confidence in the Liberal government because of its failure to make provision for an adequate natural products marketing act.

This is something for which the farm organizations of this country have been asking, whether the members of those organizations grow apples or wheat or livestock. A fairly definite consensus has emerged from all the farmers conventions which have met

in late years. What they want is a degree of stability and security in agriculture. So frequently at farmers meetings we have heard demands for parity prices, planned marketing, bilateral and international agreements. Requests have been made that the operations of the wheat board be extended to cover the marketing of coarse grains. I am pleased to hear a rumour around the corridors that oats and barley are to be brought under the jurisdiction of the wheat board. I hope that is true in spite of the report that the Minister of Agriculture (Mr. Gardiner) is not in favour of such a move. I have an extract in my hand here to prove that latter fact but I shall not read it as I assume that the minister probably knows about it.

During the almost forty years of my observation, agriculture has passed through a period of progress, although there has been much hardship and poverty and suffering during that time. One may look back with longing, and perhaps some nostalgia to the early pioneering days. There may have been some romance in those early days. There may have been romance in that long two-day trek to town. There may have been some romance in the clear sunrise of an early morning, in the sharp frost that sent the prairie chickens up into the poplars, or in such little things as the rush of warm steam out of the barn at the stopping-house which you reached long after dark on your first day out on your way to the distant town. There may have been romance in the smell of wild mint in the hay.

But all romance ended when a little later in your expedition you were told by the line elevator man that he could pay you only fourteen cents per bushel for your load of oats. Those were the days of heavy and indiscriminate dockage, the days of iniquitous differences between street and track prices for wheat and all other kinds of grain. Those were the days when the grain company agent told you that the elevator was full, that he was sorry he could not take your good No. 2 C.W. oats, but if you liked to dump them he would pay you for No. 3 feed. So you slept in the livery barn instead of an hotel room and you spent the proceeds from your sale of grain on one pair of shoes and one sack of flour. When you rattled down Main street and out of town, as your team settled down into their stride for the forty-two mile journey home, you had lots of time to consider whether your No. 1 enemy was the grain company or the early frosts.

But out of such experiences were born great things. The farmers, who were helpless individually, began to organize; they began to come together. Grain growers associations and various farm organizations sprang up. It is true that sometimes their leaders betrayed them, bought out by money or by positions of power, but the rank and file persevered. So we have the grain growers association, the united farmers, the wheat pools and other such organizations.

There was also some organization along political lines. There was the old U.F.A., there was the old Progressive party and its outcrop, the C.C.F. This movement to which I belong and for which I speak had its roots in the early agrarian injustices on the prairies. In its early years in Saskatchewan it drew and has since continued to draw its support from the farmers, organized and unorganized. Its agricultural platform is in line with the policy expressed by the great farm organizations. Compare it for yourself with the resolutions passed by the western agricultural conference and the Canadian federation of agriculture.

I have not the time to put on the record the complete agricultural plaform of this party, but I should like to refer to one or two of the highlights which were made public at the C.C.F. convention in Winnipeg last August when the agricultural platform was revised. These are:

1. A system of guaranteed or forward prices so that a farmer will know, well ahead of seeding, what price he will receive.
2. Enactment of a national marketing act and the creation of marketing boards with producer representation.
3. Orderly world marketing by international agreement.
4. Encouragement of the development of co-operatives.
5. No more speculation in marketing of food products.
6. Adoption of the ever-normal granary principle with the necessary storage facilities to carry it out.
7. Elimination of monopolies in things like farm machinery, meat packing, and fertilizers.
8. A program of crop insurance.
9. A system of long-term credits.
10. Extension of P.F.R.A. to all Canada, with extensive irrigation projects.
11. For international trade we would set up import-export trade boards responsible to parliament, to make international agreements in the sale of grain and livestock products.

These and other measures are designed to ensure to the farmer his fair share of the national income. There are those who, this last year or two, have been wont to look askance at the prosperity of the man on the prairie farm. Why in the world should he not be prosperous? It will take a deal of prosperity to make up for all those lean, hard years. And in attempting to show the so-called prosperity of the farmer, government supporters have been unfairly comparing recent years with the base year 1935, when prices were extremely low. If you compare the present set-up with the years from 1925 to

1929 you will get an entirely different picture. I would point out, also, that millions of the dollars which are supposed to have gone into the pockets of the prairie farmers actually landed in the pockets of the farmers of the farmers, meaning the mortgage companies whose headquarters for the most part are in these central provinces, and whose funds are taxed for the benefit of these provinces rather than the benefit of the provinces in which that money was made. I say a great deal of this money was used in paying up principal and interest owed by the farmers, which had been accumulating for a good many years, and it was the mortgage companies rather than the farmers who got that cash.

I do not say the farmers are poorly off. A few of them have established bank accounts, but thousands are carrying on in a much smaller way out there on the marginal lands, out along the edge of the bush, in dried-out country and so on. They are living precariously enough. I am thinking of a group in my own constituency, from Beaver Creek on down south and west. They have been burned out year after year. Last year they had a terrific plague of grasshoppers, and the prospect is that this year the grasshoppers will be even worse. When people are in this position for a number of years they have very little capital left, and that capital disappears in a depression. So they are never able to re-equip their farms because of the high prices they must pay for their needs, notably, of course, for farm machinery.

That these prices have been allowed to rise is to some extent the responsibility of this government, and this has taken away from the farmers the satisfaction generally felt because of the wheat agreements which guaranteed a reasonably fair price per bushel. I might interject that a fair price per bushel is not a great deal of good if you have not the bushels of wheat to sell. I can never forget that this government gave in to the machinery companies. As a matter of fact the action of the government in allowing a 12½ per cent increase in prices of farm machinery began this merry-go-round of inflation in which we are caught up today, which has resulted in further increases in the prices of all commodities and brought about inflation generally.

There are those who would take advantage of this situation. One such, may I say, is the Winnipeg grain exchange; and I would warn my friends of the Conservative party that they are generally coming to be regarded as belonging to that same group. The private grain trade is trying to wean the farmer away from his own organizations. Have you noticed these little farm organizations which are being mysteriously formed around Winnipeg? They seem to have funds for unlimited pamphlets with which they deluge farmers in other parts of the country, lauding the private system of marketing grain and trying to drive a wedge between the farmer and the organizations he has created. The private grain trade is trying to wean the farmer away from the pools and from wheat board principles, back to the open market, back to the grain exchange where the gamblers can make a killing when times are good and where they can pass the whole problem over to the government when times are bad. I get these circulars every day and put them in my wastepaper basket, which I deem to be their proper destination. Some of these grain exchange firms are the same people who used to rob us in the early pioneer days which I have attempted to describe.

The export trade in agricultural products looks a bit uncertain at the moment. Were it not for United States payments for Canadian goods for European shipment, and were it not for the fact that we in this country have unfrozen the remainder of our loan to Britain, we would be in the midst of a slump at the present time. Don't forget that. Britain is showing signs of inability or unwillingness to keep on buying from us four or five times as much as we buy from her. She just has not the necessary dollars. I think it is a sad commentary on human ingenuity that we should have a surplus of primary products and still be unable to do business with those who very much desire those products and who have a surplus of the things we need. It is time to investigate this matter, and do away with any restraints on such trade. Britain has been forced into the arms of Poland, Denmark and other countries which will accept her goods, and we should try to retain those European markets.

But you may say we can sell in the United States market. Yes, we can for the moment, as long as the American people supply us with vast sums of money to pay for our Canadian goods to be sent to Europe, because they have not those products themselves in sufficient quantities to export. But let us not forget that the United States produces and exports much the same things we do as far as agricultural products go, and when times return to normal we shall find the United States our rival for the European market. I need not remind hon. members that the United States already has declared flax to be surplus, and that there is an agitation in that country at the present moment to have wheat declared surplus, in which event we would

be in rather a difficult position. I shall leave that for the time being.

Apart from the national program of our party which I have outlined, here are some of the things in which we in this group believe in relation to agriculture. We deplore the fact that hog production is decreasing. I had a long talk about that matter with officials of Intercontinental Pork Packers in my own city. I feel that at least one of the reasons for the reduction is the income tax farmers have to pay upon their receipts from the sale of hogs. We welcome the adoption of the basic herd idea, which we have so long advocated, in connection with income tax. We understand that the term "basic herd" is going to be defined to the satisfaction of the farmer; at least we have that promise from the Minister of National Revenue (Mr. McCann). Then we want the wheat board to pay out promptly the participation payments due the farmers. There seems to be some misunderstanding throughout the country on this point. Like the P.F.A.A. payments, this is largely the farmers' own money that is being handed out. This is not government money. This is not the government or the Minister of Agriculture (Mr. Gardiner) declaring that these men shall receive certain moneys from this government. These men are receiving money which they have earned.

Mr. Gardiner: Just one-third of prairie farm assistance.

Mr. Knight: It is my belief that irrigation would permit an increased rural population. I shall say a word about that at a later time. Irrigation would encourage a revival of the livestock industry. It is our belief that an irrigation scheme of some proportions should be put into effect now, and I underline the word "now". Such a scheme should not be saved for use as Liberal propaganda on the eve of an election. The people will soon be seeing that water-map which was plastered all over the front page of the *Star-Phoenix* during the Rosthern by-election. I do not know whether or not it had any result.

Mr. Gardiner: It was your speech that produced results.

Mr. Knight: The minister makes a lot of speeches and I shall now make mine. We do urge that compensatory payments be made to the farmers who, during the war, took these lower prices in order to subsidize the bread production of this nation. If Great Britain is unwilling or unable to pay this extra amount, it should be a charge on the national treasury of Canada.

Looking at agriculture as a whole, I would say that the west is confronted with a tremendous problem in the form of the mechanization of agriculture. The need for manpower is decreasing. This is a long-term problem but it is perhaps the greatest problem with which the west is faced. In other words, to carry on the industry of wheat farming, less and less manpower is necessary. The minister who enjoys interrupting me will remember that when he and I used to thresh with one of those big Reeves engines and a correspondingly large separator, twenty-six men were needed to do the work. Today, however, if conditions are good, an old man and a boy will produce the bread requirements of from three to six thousand people in one season. What is the significance of that in regard to these prairies?

Efficiency, judged by the cost per bushel, requires larger machinery. Larger machinery requires a larger acreage and may start the ambitious in pursuit of more land. Whether we know it or not, we are in the midst of an agrarian revolution which is changing the face of the country and changing life on the prairies. As I have said, I think this is the greatest agricultural problem with which this country is faced, except the problem of the destruction of our natural resources and the destruction of our top soil by wind and water erosion. The latter, of course, is largely our own fault.

A great country cannot be built without people. Cities become unnecessary if there are no people in the country to use the services they provide. If non-agricultural industries are to exist, there must be people to operate them and to use their products. I have not sufficient time at my disposal to discuss alternative remedies, but obviously one remedy is irrigation. With irrigation there would be more people on the land and the holdings would be smaller. Dairy and beef cattle industries would be possible in regions now barren or given over solely to grain growing.

This dominion government has not done much about irrigation except to talk about it. For the most part, the talking has been done by the Minister of Agriculture (Mr. Gardiner). I have the greatest respect for the Minister of Agriculture, and I have said so both publicly and privately on occasion. There is only one subject on which I do not trust him, and that is elections. The minister always reminds me of David Harum, the famous horse trader. He was a man of great integrity and honesty in his private life, and a good fellow, just as the minister is, but in a horse trade he would take advantage of his own grandfather.

Mr. Gardiner: That is the kind of speech you made up there that helped win us the seat.

Mr. Knight: This western irrigation is one trading horse that the minister has in his barn. He is a bit over in the knees through old age, but he gets rested up between elections and may make a brave enough show when the minister trots him out again before the next federal election. In tribute to the minister, may I say there is no man who can show off a horse better than he can. Let me warn you, however: if you buy him you will get no guarantees with him. You will have to buy him on the end of the halter and you will not even get close enough to him to look at his teeth.

At a meeting in the Technical school in Saskatoon before the 1945 election I heard the minister talk of the vast sums of money to be spent on irrigation. I sat in a front seat. The minister did not know me in those days, but I knew him. In spite of the talk, this section of the country is as dry as ever, and the only surface water I have seen there in the past few years was marked on a map which the minister or some of his friends prepared for the Rosthern by-election. This is the map which appeared on the front page of the Saskatoon *Star-Phoenix*. On this map the water was marked in black. I notice that several of those black patches had been conveniently moved up into the Rosthern constituency at that time. Owing to electoral redistribution, next year those black patches will be in the Saskatoon territory; but I doubt very much whether the duck population will be much increased thereby.

This irrigation problem is too important to be used as a political football. There is a danger that the people will look upon it as nothing more than that. If the minister keeps using this irrigation project as a political football, there is a danger that the old story of "Wolf, wolf" may be exemplified. To my way of thinking, this would be a tragedy. Irrespective of what party is in power, I think something will be done. If the project is sound from an engineering point of view, this government is to be censured for not carrying out its promises. The government party is the only party that has had an opportunity of doing anything, and it has failed.

One of the greatest problems facing the Canadian farmer today is the uncertainty of world markets for agricultural products. In his speech the other night, the minister covered up that uncertainty in a pæan of self praise for the accomplishments in the past. Would it not be a fair question to ask, "What of the future?" As seeding time approaches, it is the answer to that question in which the farmer is interested.

An extension of the powers which the Agricultural Products Act gives the minister is being requested. I hope to say a word about that at the proper time, so for the moment I will say I believe those powers should be renewed. Some marketing agency is necessary, but it should be an agency operated solely for the benefit of the producers. I do not think this present arrangement is the best possible one because it gives too much power to the minister and none at all to local or provincial growers groups.

We remember the coarse grains fiasco. We remember how the farmer and not the treasury subsidized the price of wheat to the millers. We look upon the dwindling contracts for farm products with the United Kingdom. We note that such contracts as there are in operation are for one year only. We remember that the wheat agreement with Britain ends in 1950. We have seen the decline in the price of rye, the declaration of a surplus of flax on the part of the United States; while, as I said a moment ago, there are mutterings in that country to the effect that wheat should be declared surplus too. Is it any wonder that the farmers, with this prospect in view, say "What of the future?"

The other day, in a burst of oratory at which he is so good, the minister said that he was no prophet. In view of the prospect, perhaps that is just as well. May I say that bursts of oratory seldom if ever settle any problem; and there is not necessarily logic in a loud voice.

The ability of the Minister of Agriculture (Mr. Gardiner) as a debater is conceded. I do not like his style of debate. I know enough about debating—I mean in a theoretical way; I am not much good at it myself—to detect some of the minister's little tricks. Let me give hon. members an example. The minister sets out to disprove A. Instead, he proceeds to prove B, and at the end of half an hour everyone is so spellbound—I shall not be unkind enough to say "so weary"—that they just do not see the difference.

Mr. Irvine: And he puts over C.

Mr. Knight: Let me give a concrete example. The other night he dealt with a statement made by some of the C.C.F. members of the house; he disagreed with the statement that the dollar had only the purchasing power of fifty-nine cents or sixty-two cents, or whatever it currently is. I do not know whether it is fifty-nine cents or sixty-two cents; it fluctuates here and there. He set out to disprove this statement but instead he proceeded to prove that the farmer, with less wheat, fewer chickens, less produce of various kinds, could buy more manufactured goods. But that is not the thing he is proving. He says not a word about the actual depreciation in money values, which was the ques-

tion propounded and the one which the minister was supposed to be debating.

Mr. Gardiner: The hon. member has not read the debate.

Mr. Knight: I will challenge the minister here and now to apply his argument to the $30 fixed income which the old age pensioners receive or to the purchasing power, in terms of manufactured goods, of the $100 bond which we bought during the war.

Mr. Gardiner: In my speech I said definitely that I was not discussing the question which the hon. member now says I was discussing.

Mr. Knight: That these matters I have been discussing—agricultural production and marketing—are vital to the farm people in my territory is not open to question; that they have a definite bearing on the prosperity of the citizens of Saskatoon city itself is also indisputable, for our industry is based upon agricultural products. The uncertainty of the moment is being reflected in those industries.

I shall finish in a minute or two, Mr. Speaker, but I want to say this in order to prove the point that I have just made. There is in my constituency a great packing plant, Intercontinental Packers, which is working at only one-third of capacity. The Saskatchewan Producers' oil mill has ceased, temporarily at least, to extract oil from flax. When the great new flour mill opened the other day, Mr. Fisher, the manager, said that, owing to uncertainty in the markets and in the exchange situation, no export business was in sight. Thus it is that agriculture and industry are intermingled. The prosperity of one means prosperity for the other, and that material prosperity is in turn translated into terms of human well-being and happiness. If our whole Canadian economy is to be prosperous, the well-being of agriculture must be maintained.

Mr. Fernand Viau (St. Boniface): Like the hon. member for Saskatoon (Mr. Knight), Mr. Speaker, I should like to make my remarks within the forty minutes allotted to each member of the House of Commons. If there is one thing which should be respected, I believe it is the constitution of this house. I noticed that last week the forty-minute rule was abused a number of times by some hon. members carrying on for periods varying from fifteen to twenty minutes over the allotted time.

First of all I wish to congratulate the hon. member for Essex West (Mr. Brown), who moved the address in reply to the speech from the throne. Everyone will have appreciated the words he used in describing the progress of this nation with regard to the development of the St. Lawrence waterway and the Atlantic pact, which will be signed within a short time by the democratic nations of the western hemisphere. By expressing himself so well in this house I feel that the hon. member has rendered a tribute to the riding which he represents.

(Translation):

Mr. Speaker, I should like also to tender my most sincere congratulations to the new member for Laval-Two Mountains (Mr. Demers) who had the honour of seconding the address in reply to the speech from the throne.

His speech showed his perfect knowledge of those economic problems which affect our nation. A specialist in agricultural science with a wealth of experience, he will I am sure take an active part in the debates of the house, and continue to prove worthy of the confidence his constituents placed in him last December, when they elected him as member for Laval-Two Mountains.

In the fall of 1947, at St. Boniface, we had the pleasure of meeting the Right Hon. Louis St. Laurent, then Minister of Justice, who was visiting for the first time the Manitoba electors. On that occasion, he was welcomed by his French-Canadian fellow citizens from that province, and a tribute was also paid to him in connection with his entry into a new political career in 1943, when he came here to succeed the late Ernest Lapointe.

In August last, the French Canadians, who support the greatest political party in the land, chose him to lead the Liberal party. In the following November he became Prime Minister of Canada, and I can assure him that he has the respect of all the citizens of western Canada, whether English or French speaking, or even of foreign extraction, and that naturally in the next general election such respect and confidence on their part will be shown by a support through which he will have many representatives from that part of the country on this side of the house, as was the case in 1945.

(Text):

I should also like to congratulate the government on the appointments of the two new ministers. One of these is the hon. member for Algoma East (Mr. Pearson), who left a secure position in order to assume the responsibility of Secretary of State for External Affairs. It is hardly necessary for me to mention that he had already, not only in this country but in other countries of the world, established a reputation as an able diplomat. I feel that his appointment to the cabinet is a matter on which the Prime Minis-

ter of Canada is to be congratulated, and is proof of the wisdom of his counsel within the cabinet.

I should also like to pay a tribute to our former premier of Manitoba who has also, I may say sincerely, left a secure position in that province in order to assume the responsibility of Minister of Justice in the federal cabinet. His record as a statesman, particularly in the great struggle which had to be fought in this country to try to bring about a solution of our dominion-provincial difficulties, and his stand at the dominion-provincial conference, will never be forgotten. I was happy that he was able to come into this house to defend the stand which was taken not only by Manitoba but by the other six provinces in Canada in support of the federal government, and help to prove the way that the former premier of Ontario, with the help of the present premier of Quebec, scuttled that very important dominion-provincial conference.

I wish also to congratulate the leader of the opposition (Mr. Drew) on his appointment as leader of a great political party. I am one of those who are in favour of the maintenance of the great two-party system in this country. It is the only way to maintain a strong democratic way of life. The new leader of the opposition has proved himself aggressive in assuming his responsibilities in this House of Commons; but having heard of the new policies which they were going to present to the people of Canada after their great convention of last fall, I was greatly disappointed to find that the new leader of the opposition had abused his office in this parliament by taking up a great deal of time in making long speeches, in which he never once mentioned the wonderful policies of his party. He took time simply to defend the attitude that he had taken in the dominion-provincial conference when he was the premier of Ontario.

Furthermore, in his great speech the other day, he dealt with the important matter of communism. If that is to be the policy of his party it will have to be cleared up. I took his speech as a grave warning to indicate that if the Tory regime ever came into office in this country, those who seek employment and criticize the administration will find that the government then in office will reinstate a section of the Criminal Code which would label everyone who criticized the administration a communist.

As a member from western Canada, where I was raised and educated, where I have taken part in politics ever since I was quite young, and where I have been a close student of the history of my country, not only politically but economically, I may say that there is one thing I have noted with sad regret. This applies not only to the government now in office but to all governments who have been in office since confederation. I refer to the lack of attention which has been given to our western provinces in so far as industry is concerned, or anything which affects their economy. We all know that Canada extends from the Atlantic to the Pacific, but if one makes a careful study of public accounts in this house every year he will realize the amount of expenditures which are made within the confines of Ontario and Quebec. It must be admitted that when the dominion government called together the all-important dominion-provincial conference support was received not from Ontario and Quebec but from the seven other provinces which do not receive the same benefits economically as do the two great provinces to which I have referred. The history of western Canada is a story of a long struggle. I have made a careful study of the arrival of the pioneers on the plains of the Red river. I have carefully studied the growth of the colony on the banks of the Red river and the Assiniboine, where the cities of St. Boniface and Winnipeg now stand. One of our greatest primary products in western Canada is wheat. Over a century ago all the trading was done by navigation on the Red river, starting from a point which is now situated in the state of Minnesota and continuing north to beyond St. Andrew's lodge. It is related in the notes of the Manitoba historical society, in an article written by a certain Mr. William Murdoch in the year 1884, that there was a possibility of having a navigation route on the Red river through lake Winnipeg, through the Nelson river and through Hudson bay to important markets in Europe. Why this has been neglected in the past I do not know; but I feel that if today this problem is given consideration by the government it can still be achieved and the transportation of our goods to foreign markets, not only wheat, but our lumber and many other primary products, could be carried out through that important navigation route which could be developed. Naturally the cost would be pretty high, but if one recalls the money which has been spent in the two great provinces of Ontario and Quebec to help the development of navigation, railroads and many other resources, he will see that the development of a route through the Red river, lake Winnipeg, the Nelson river and Hudson bay to the European markets would be a small item.

After all, one must not pay too great attention to the population of the western prairies at the present time. There are reasons why our population has gone down. All our indus-

tries are concentrated in the two large provinces in eastern Canada. It is easily understood that the government has done nothing to help the establishment of these industries in western Canada. I could give many examples. I shall refer to the withdrawal of the personnel of the administrative headquarters of the Trans-Canada Air Lines from Winnipeg to Montreal. On what ground is this change justified? We know that it is impossible to get a definite answer from the responsible minister of this government. It is said that although Trans-Canada Air Lines are publicly owned, the policies of the company are decided by a board of directors. That is quite all right, but this change will mean the removal from Winnipeg to Montreal of two or three hundred families, and that in spite of the fact that there is a housing shortage in Montreal. I do not want to burden the house this afternoon with any facts and figures, but I do wish to refer to the principle of the thing. The removal of the Trans-Canada Air Lines to Montreal is not justified, and I am sure that the government, either through the Department of Transport or through the Department of Trade and Commerce, will see that the decision of the board of directors of the Trans-Canada Air Lines is reconsidered.

Another important factor which concerns employment and the establishment of industries in western Canada is the refusal of the British government to buy flour from our western mills. We know that a great number of the small mills cannot compete with the large mills of eastern Canada. In Saskatchewan and Manitoba we have seen many small mills closed down. However, there is one in my own constituency—and I believe there are others—which has competed with the large mills of the east.

When this matter was brought to the attention of the Minister of Trade and Commerce (Mr. Howe) by the hon. member for Humboldt (Mr. Burton), the minister answered that the export of flour was a matter relating to private enterprise and that it was no concern of the Department of Trade and Commerce. He pointed out that contracts being made by foreign firms with our industry in Canada were the concern only of those individuals. I am referring in this connection to the export of flour under the Anglo-Canadian wheat agreement.

At the present time it is impossible for anyone to operate in the face of the monopoly so well established in Canada by such men as Mr. Dunning and Mr. Short, who sit in Montreal, watching all the highways and byways connected with the export of flour, and who make sure that all contracts go through their hands before reaching any western mills in western Canada.

Mr. Bryce: Under a Liberal government.

Mr. Viau: That has nothing to do with the present Liberal government. I am speaking of those individuals who represent the British Socialist government. One of them is also a director of the eastern flour mills, who has helped make the arrangements to see that the monopoly in connection with the export of flour is kept within the hands of the Canadian millers association. That organization has no federal or provincial charter. It is a group of individuals who represent the five great milling companies of Canada, and who make sure that they monopolize the export of all flour from this country.

Mr. Bryce: That is monopoly for you.

Mr. Viau: And the socialists are with it, also. This is a most important industry which could be established and maintained in western Canada. At the present time however nothing is being done to help it either in Manitoba or in Saskatchewan. With the help of the federal departments in Ottawa, including the Department of Agriculture, the Department of Trade and Commerce, the Department of Transport and the Department of Mines and Resources, I can visualize that in future years, through the development of our natural resources in western Canada, we will have in that section of the country a large population and an increase in industry.

The development of those resources will involve the shipping of our goods to foreign markets. That is why I ask the government to reconsider what was so well understood years ago by the pioneers on the western prairies when they referred to the opening of the Hudson bay route—and not by railways; we have at the present time from Winnipeg to Churchill, a railway which is a burden to the country. This would be a navigation route through the Red river, lake Winnipeg and Nelson river, and could be developed at a low cost, when compared with the value of goods which would be forwarded by the producers of western Canada over that route.

A century ago we read that 31,900 traveled by boat on the Red river, and a century ago only, 25 million pounds of freight daily were shipped through that route. It is true—although there is no chart to show it—that a century ago the Red river was narrow. I have read that there are now living in St. Boniface people who sixty years ago crossed it on horse back. It is related however that a few years later that river was 150 feet wide. The channel is there, and despite the cost of building a few dams and locks beyond lake Winni-

peg, to the estuary of the Nelson river, I believe the expenditure would be warranted to help in the development of western Canada. May I ask the government to give this matter its most careful consideration?

As I said earlier, I shall refrain from making a lengthy speech. I have felt however that as a western member I should bring these matters to the attention of the government. As a young man I can visualize the industrial growth of western Canada. As one who knows the history of our forefathers, who left security in eastern Canada to establish themselves in the west, I should hope that before leaving this world I might know that the government has seen fit to follow the plan which was desired centuries ago, and that the efforts of that past generation had not been in vain.

Mr. W. Garfield Case (Grey North): Mr. Speaker, may I begin my remarks by suggesting to the hon. member for St. Boniface (Mr. Viau) that he ought not to be too concerned about the length of the speeches delivered by the leader of the opposition (Mr. Drew). I noted his reference to the position taken by the Minister of Justice (Mr. Garson), formerly premier of Manitoba; and all I can say is that the matter of who broke up the dominion-provincial conference is certainly no concern of mine. It rested within the province of the administration to reassemble the conference. Indeed, had the fathers of confederation taken the position now taken by this administration we would never have had confederaton in Canada.

My first words would be those of congratulation to the hon. member for Essex West (Mr. Brown) and the hon. member for Laval-Two Mountains (Mr. Demers), the mover and the seconder of the address in reply. I happen to know very well the hon. member for Essex West, having spent a good deal of time in his company in connection with the committee on Indian affairs. While I felt he did his best to create an impression of admiration of the government's administration, he overlooked one thing in which I am sure we are all vitally interested.

The speech from the throne contains no reference to the introduction of a bill to amend the Indian Act. As a matter of fact, at the last session of parliament, a bill respecting Indians was introduced and received first reading. We are now wondering just what is going to happen. Rumour has it that the committee will not be called to complete its work. Yet in the sessions of the last three years members of that committee laboured long hours in an effort to correct a situation to a point which they felt would be in the best interests of the Indian population of this country.

It was my privilege to serve on a royal commission and to travel throughout the maritime provinces and part of Quebec taking evidence from the Indians on the reserves, with a view to making it possible to correct a situation which in our opinion was detrimental to the Indian population. If the rumours are true that the committee will not be set up, having regard to the fact that we have redrafted the Indian Act and that the bill has received first reading, then I say to you, Mr. Speaker, and through you to the hon. members of this House of Commons, that it will be nothing short of a public scandal.

The Indians of this country have made representations indicating their desire to have a greater voice in their own affairs. I recall the compliments that have been paid to these splendid people for their contribution during the first and second world wars. In the second great war, not only did their male members offer their services, the Indian girls came forward and offered themselves. One Indian reserve, Cape Croker, adjacent to my riding, showed an enlistment in relation to population larger than any other community in Canada.

I feel that we would indeed be remiss in our duty if we did not proceed with the work of the Indian affairs committee. It has been considered to be possibly the most important committee ever set up to deal with a problem which had not received the attention of the government for many long years. In fact, it is said that the Indian Act has not been properly revised since confederation.

The hon. member for Essex West (Mr. Brown) is the House of Commons chairman of the committee, which is a joint committee of the House of Commons and the other place. I am sure that he must share my views that the work of the committee will go for naught if no further reference is made to it. It will be a terrible let-down for the Indian population of Canada if they are not now to receive the benefits of the deliberations of the committee which were aimed at placing them in a better position to help themselves.

The Indians are expecting this. I am sure they will be greatly alarmed when they learn that possibly what is the last session of the twentieth parliament is going to be allowed to pass without this important phase of our national life being dealt with. The committee was set up through the Department of Mines and Resources and witnesses were brought from points all over Canada. Deliberations continued during the past three sessions and during the parliamentary recesses. If the committee is not to be reinstituted it will mean that its work will be forgotten, because there will be no hope

of a similar committee being constituted until the next parliament. It would then mean going through the process again; it would mean the retaking of evidence and the drafting of another bill when one is all ready to be presented to this House of Commons.

I have had the opportunity of visiting Indians on their reserves and I know many of them. A great number of these Indians have made progress in spite of the handicaps they face. I plead with this house to give consideration to their problems and to reconstitute the Indian affairs committee. Let us get on with our work so that before this session ends we can present to this House of Commons a new Indian Act, an act already prepared, which can be approved by the house. We would thus show our regard for the problems which the Indians face today.

Having said that, let me proceed to other matters referred to in the speech from the throne. First, I should like to pay my compliments to the Prime Minister (Mr. St. Laurent). He has been called upon to assume a most important office in the affairs of this nation. I should like to wish him good health and success as long as he is charged with that responsibility. Just how long he may be charged with that responsibility is very problematical. He is a fine type of Canadian and is possessed of a wealth of talent, but just how good his political judgment may be remains to be seen. The trend of the times would indicate that the Canadian people are not altogether satisfied and they are awaiting their opportunity to express their feelings.

I should like also to compliment an old friend of mine, the right hon. member for Glengarry (Mr. Mackenzie King). I can think back many years to a time when the chief stock in trade of the right hon. member was Senate reform. I submit that after his long years of service to this nation there is another opportunity for him to serve still further. I am not thinking now of the writing of his memoirs; rather I am conscious of the fact that the Liberal members in the upper chamber were in large measure appointed by himself. They were his colleagues and they know something of his ideas of reform in the other place.

I think it would be most fitting if the present administration were to obtain his consent to his appointment to the red chamber where, with his former colleagues, he could introduce that measure of Senate reform which he professed to admire in days gone by. As a matter of fact I would say that it would be to the king's taste. In any event, the opportunity is there to render further service.

While we in this house appreciate the stabilizing influence of the experience of the older statesmen in the upper chamber, I think we realize that there is great need for reform. I believe most hon. members feel that it should be an elected chamber where possibly one-third of the members would come up for election at each federal election. In the ordinary course of events that would mean that they would be elected for from ten to fifteen years which would give them a certain sense of security but a greater appreciation of their responsibilities.

Mr. Cruickshank: Would the hon. member recommend that all the leaders of the Conservative party during the past few years should be in the other place?

Mr. Case: I would rather leave that to their own good judgment.

Mr. Cruickshank: They would be as effective there as they are here.

Mr. Case: I think in the not too distant future the hon. member for Fraser Valley (Mr. Cruickshank) will discover that appointments to the Senate will rest in hands other than those on his side of the chamber.

I should like also to pay my compliments to my very good friend the hon. member for Neepawa (Mr. Bracken). He has indeed rendered a service to this nation. He made a great contribution to this parliament, and I was one of those who deeply regretted that his condition of health forced him to retire from the leadership of the party. But the Progressive Conservative party has always been resourceful, like democracy, and it found a man to take his place. From a wealth of talent the party was able to select a man who in my opinion will make a tremendous contribution to the national welfare. I am impressed indeed with his background and his experience at all levels of government. As a very young man he was an alderman of his native city of Guelph, and later mayor of that city. A little later he was leader of the opposition in Ontario; and at the first opportunity which presented itself, when an appeal was made to the intelligent electors of that province, he became premier. That was not just by chance, either, because they confirmed his administration on two subsequent occasions. So when we were seeking a leader we invited the hon. gentleman to accept that responsibility; and he has acquitted himself in this house with distinction to himself and with credit to his party. He has had perhaps a unique opportunity to gain experience denied to many of us; and when the present administration finds the courage to go to the country we are confident that he will be charged with the responsibility of carrying on government in this country.

Mr. Cruickshank: Wishful thinking.

Mr. Case: It may be wishful thinking. The man who whistles in the dark is only trying to convince himself that there are no dangers abroad, so when I hear my hon. friend interrupt I know that he too feels the skids are under the present administration and that before long we will have in Canada a new government, which after all will be good not only for the country but also for the Liberal party. This government has grown old and weary and is still suffering from the war complex, and thus acting contrary to the best tenets of Liberalism.

It is my privilege to represent part of the great county of Grey, which has a tremendous stake in the future of this nation. Our people are resourceful. Our farmers are among the most progressive in Canada. As a matter of fact—though I say this at the risk of being interrupted by my own colleagues—we lead all counties in the province of Ontario in the production of livestock. In the city of Owen Sound we have had a large industrial development. The city is growing at a substantial rate; and following the remarks the other evening of the hon. member for Davenport (Mr. MacNicol) I want to say that we have one of the finest harbours on the upper great lakes. We do need a great deal of work done there, however, and I have been glad to enjoy the co-operation of the Minister of Public Works (Mr. Fournier) in having some of that work done at the present time. I wish he would do more, because it means a great deal to our people.

Mr. Fournier (Hull): The other day you told me you were satisfied.

Mr. Case: Well, Mr. Speaker, after all, if you get part of what you ask for, you are inclined to say you are satisfied; but this world has made its greatest progress because of the people who were never satisfied. Through the efforts of the Owen Sound board of trade I believe improvements will be made over a period of years which will be of benefit not only to our own community but to shipping facilities on the great lakes generally.

Mr. Cruickshank: Thanks to a Liberal government.

Mr. Case: You may say thanks to a Liberal government, but if the time ever comes when the government, charged with responsibility for the administration of this nation's affairs, fails to look after the public services in a riding just because the member happens to sit in opposition, then you will have a unitary system of government and there will be no democracy. So I say I appreciate that measure of co-operation I have received, and I hope it will continue to be extended. I might refer also in passing to the town of Meaford, where we have one of the finest fishing fleets in that area. There the Department of Public Works put up a fine retaining wall in the inner harbour, which will be of great benefit to that fleet.

My concern, Mr. Speaker, is not for my own people alone but for the people of Canada. My riding comprises thirteen municipalities, of which four are urban and nine rural. At Shallow Lake, one of the urban municipalities, we have one of the finest fur farms in Canada. Mr. Percy Noble, the owner of this ranch, has made a great contribution to that industry by developing special breeds of mink and silver foxes. Then the harbour at Thornbury requires attention, and I hope some consideration may be given to it in the estimates which will be presented in this house before very long. There we have an apple district second to none in Ontario. Over three thousand acres are now planted in orchards; and in the town of Thornbury and the village of Clarksburg we have warehouses, cold storage plants and processing plants capable of taking care of these apples and processing them for sale throughout the country.

An hon. Member: Including British Columbia?

Mr. Case: Yes, including British Columbia. Now I want to speak in a little broader vein, inasmuch as I feel that the administration should be concerned with the conservation of the natural resources of our country. In our county there is the highest point in the province of Ontario, at Dundalk, which is 1,735 feet above sea level. Here is the great divide or great watershed, indeed; but during the course of time, with settlers coming in, the whole countryside has been denuded of forest. Open ditches have been dug to drain off the surface water from Grey county and the other adjacent counties into the Grand river.

In recognition of the sanitation problem of the cities of Galt and Brantford the federal authority, in association with other legislative bodies, built what is known as the Shand dam on the Grand river near Fergus, Ontario. This cost $2 million and the object of it was to catch the spring freshets and hold them in an artificial lake. As the season progressed, these waters could be released for sanitary purposes. The effort to achieve this has failed, inasmuch as the spring freshets have not yet filled the basin to the satisfaction of those concerned. It is now proposed to build a dam on the Conestoga river at a cost of approximately $4 million. I present this to the House of Commons because I feel that a survey should be made of the conservation

potentialities of this province of Ontario, as well as the other provinces of the dominion.

This great ridge I have mentioned should be reforested. By acquiring approximately 35,000 acres of land, reforestation could be carried out and, in due time, this great watershed would restore the natural flow to the Grand river, the Humber, the Credit and all the streams flowing north to Georgian bay. It would be a self-liquidating project and would pay substantial dividends on the money thus expended. I hope the time will come when this matter will be given most serious consideration by this house. It would mean a tremendous contribution to the welfare of agriculture in the counties of Grey, Bruce, Dufferin and the other counties lying on the south side of the great watershed.

I have been asked to make a reference to an irrigation development on the south Saskatchewan river. This is a considerable distance from my own riding, but realizing how much the general prosperity of the nation depends upon the prosperity of its various parts, I am only too happy to plead with this administration for the development of the irrigation scheme on the south Saskatchewan river. It has been represented to me that millions upon millions of dollars have been paid out in relief in that area. The average farm today is about 480 acres; but, with proper irrigation, farms would be reduced to about 100 acres with beneficial results to the community and the nation as a whole. I do hope that these will not be mere matters of election appeals, but that they will be matters which will receive the serious consideration of the dominion government and will be proceeded with at once. This would bring a sense of security to the farmers in that area of Saskatchewan who need the benefit of everything we can do for them.

I should like to say that in my view the C.C.F. socialist party would be better employed in making an appeal of this kind than in seeking to stimulate our interest in stepping up the amount of social security. After all, that is a very good thing, but the productive capacity of the nation is the sole security our people have.

Mr. Martin: That is what your own program, adopted at the national convention, recommends.

Mr. Case: Our national convention program will stand on its own feet, and I am not going to review it at this time. If it contains anything which you feel is worth while, you bring it in and you can depend upon our supporting it.

Premier Douglas was very frank the other day, in my view, when he was reported as having said his government had reached the limit of its social security program until more wealth can be produced. We do not need to be reminded that no government can give the people anything which the people themselves do not produce.

We find that events have brought about a decided change. Miss Agnes MacPhail, now a member of the legislature of the province of Ontario, says she is a social democrat, whatever that means. At any rate, it is a far cry from the days when she said the C.C.F. could mean, "Come, comrades, forward." As I review the events which have taken place and the deliberations of the C.C.F. socialist party's Winnipeg convention, in which they took fifteen minutes to consider and move a resolution to nationalize the banks and the Canadian Pacific Railway, I am amazed at their lack of judgment and their desire to take—

Mr. Young: I rise on a question of privilege. The hon. member says—

The Acting Speaker (Mr. Golding): Order. The hon. member should not be interrupted unless he permits a question.

Mr. Young: I am rising on a question of privilege. A misstatement has been made by the member. The resolution to nationalize the banks took up four hours in the C.C.F. convention, not half an hour or fifteen minutes.

Mr. Case: Considering the type of people that would be discussing it, I would not care whether it took four hours or forty hours. I doubt if any one of them was trained in the art of finance or railroad management or anything else having to do with our national economy. As a matter of fact, since the days of the Regina convention, the C.C.F. has changed its position so often that C.C.F. no longer stands for what it used to stand, but now stands for Canada's comical fellows. This group is trying to discover some means of making an appeal to the people by appealing to prejudice, by setting class against class and by endeavouring to make the labour element discontented.

Mr. Matthews (Kootenay East): The hon. member is appealing to prejudice right now.

Mr. Case: The real challenge to labour today is to share the responsibilities of management; the challenge to industry is to share the profit which labour created. As an illustration of the sharing of responsibility, I mention a bulletin issued regularly by Dofasco, Dominion Foundries and Steel Limited at Hamilton, in which you will find that profit-sharing by that firm resulted in the distribution of $699,000 amongst the workers in 1948. I am convinced you do not need legislation to improve the social security position of the people of Canada when you find

they are prepared to put their shoulder to the wheel to improve their own position.

To my friends on my left who are interrupting, the C.C.F. socialists, who have to all intents and purposes shaken off communism—I do not think the term communism should be applied to any respectable group in this house—I want to say that they have quite a long way to go yet before they are entirely free of their web, because you cannot accept communist money and deny communism. But that is what my C.C.F. friends are doing.

Mr. Matthews (Kootenay East): On a question of privilege, Mr. Speaker, I am asking the hon. member a question. Can he prove that any member of the C.C.F. has accepted communist money?

Mr. Case: All right.

Mr. Matthews (Kootenay East): I want an answer on the question of privilege.

Mr. Case: I intend to speak on the question of privilege.

The Acting Speaker (Mr. Golding): Order. I understand that the hon. member for Kootenay East wishes to ask a question of the hon. member who has the floor. But, unless the hon. member who has the floor sits down, the hon. member for Kootenay East should not press his question.

Mr. Case: I shall speak to the question of privilege. I shall answer my friend's question. It is a well-known fact that the labour unions of this country, the C.C.L. and the C.I.O., have in their ranks many communists. Many of them are led by communists. It is a well-known fact that those groups, by a simple majority vote, make a contribution to the welfare of the C.C.F. party as their political arm. So if my hon. friends are not receiving communist funds, let them deny that.

Mr. Matthews (Kootenay East): I still say that we are not taking communist funds, and the hon. member knows it. That is a lie if ever there was one.

Mr. Case: My hon. friends are receiving funds from the unions by simple majority vote. Can you separate the communist contribution paid to your party?

Mr. Young: Doesn't that make you mad?

Mr. Case: No, it does not make me mad. I am glad to see my hon. friends getting a little help from somewhere, because they will need it before long.

Mr. Young: And we will use it.

Mr. Case: As the man who pays the piper calls the tune, the communists must expect the people they are paying to be their spokesmen in this house and in the country. I say that with all kindness because I think my friends can shake this old man of the sea off their backs.

Mr. Nicholson: Name one communist contributor to the C.C.F.

Mr. Case: How about the electrical workers union, whose president, Mr. Jackson, was denied admittance to the United States?

Mr. Nicholson: They have never given a five-cent piece to the C.C.F.

Mr. Case: I am only giving my friends an opportunity to correct the error of their ways and get out from under this position into which they have worked themselves.

The Acting Speaker (Mr. Golding): Order.

Mr. Case: I am pleased that we now have as the leader of our party a man of vision and one who has faith in the future of Canada. When I review the past, I think about the initiative displayed in the province of Ontario in putting into effect the first major mass immigration scheme by air in the world. That scheme resulted from the efforts of a man of vision and a man of courage. I think of the vast industrial developments that have taken place since he became premier of Ontario in 1943, when he hastened to open Ontario House. I think of the vast development of the province of Ontario. Having all these things in mind, I feel that our leader is the logical man to lead the Dominion of Canada to better days, to great expansion and great realization.

I now want to ask one question: What of the British empire?—because after all, we are part and parcel of the empire. I am greatly concerned when I read in a Canadian press dispatch from Bristol, England, dated November 1, 1948, a statement by a member of the British government, a responsible minister of the crown. I wish to say that I do not believe it is any of our business what type of government the people of England have; that is their own business. But we all have a great stake in the empire. The press dispatch to which I referred reads in part as follows:

> Sir Stafford Cripps, Chancellor of the Exchequer, said Sunday he has not changed his opinion expressed in 1935 that it is "essential" to socialism that the British empire be liquidated.

Some hon. Members: Hear, hear.

Mr. Case: My hon. friends of the C.C.F. say "hear, hear". I do not doubt that they would like to see the empire liquidated, but I for one would not because it offers to us the greatest sense of security we have. Even during the espionage trials, when Russia

stood on the threshold behind the iron curtain, if we had been just a single nation, we could easily have been pushed around to our own detriment. I recall the tremendous contribution the British empire has made to the world in general. I think we should all pay a tribute, as did the hon. member for Cochrane (Mr. Bradette), to this gallant people who preferred to die on their feet rather than take orders on their knees, and who saved democracy and freedom throughout the civilized world.

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

An hon. Member: Sit down.

Mr. Nicholson: Time.

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

Mr. Case: Go ahead.

Mr. Cruickshank: Did he approve the action of a man called Sauriol, whom the hon. member for Peel (Mr. Graydon) and the hon. member for Lake Centre (Mr. Diefenbaker) wanted interned during the war?

Mr. Case: The hon. member's knowledge of ancient history is greater than mine, and I do not intend to express an opinion about something of which I know nothing.

Mr. Cruickshank: The hon. member does not want to know anything about it.

Mr. Case: I might like to know something about it.

An hon. Member: Time.

Mr. Case: I want to deal for a few moments with the problem we face with respect to exorbitant taxation. I feel that it is an important question. I have here before me a resolution passed by the city council of Owen Sound appealing for grants in aid to assist them with their educational problems, hospitals and social services, because taxation has reached such a high level in the Dominion of Canada that they find it impossible to maintain their civic services and still retain among the citizens an interest in home ownership or in real estate. After all, home owners are the backbone of the nation. I have a similar resolution from the Canadian School Trustees Association, also appealing for grants in aid to assist with educational and other problems.

Mr. Cruickshank: What about my question?

Mr. Case: We feel that the time has come when the government should give consideration to easing the burden of taxation. On more than one occasion I appealed to the ministers of finance when they presented their budgets. In the speech from the throne this year there is a reference to the budget. This reference is a departure from established practice, inasmuch as it indicates that in the budget there is likely to be some relief from taxation, and it results in furthering the confusion which we have been experiencing for some time. I believe that our hope, if we have faith in Canada, rests upon our ability to introduce greater efficiency into our governmental administrative branches and to cut taxation to the bone in order that we may encourage industry and agriculture to produce to their utmost.

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but I must inform him that his time is exhausted.

Some hon. Members: Go ahead.

An hon. Member: No.

Mr. Cruickshank: The hon. member should be able to complete this speech by telling us about Duplessis.

Mr. Case: If I have the consent of the house, Mr. Speaker—

Some hon. Members: No.

Mr. Speaker: May I take this occasion to ask hon. members to do their best to confine their remarks to the forty minutes which are allotted by the rules of the house. After all, hon. members may be deprived of half an hour of their dinner recess at night in order to permit speeches of more than forty minutes. That remark does not actually apply to the hon. member who has the floor, but I would ask hon. members to try to limit their speeches to the forty minutes allotted.

Mr. Case: I will not abuse the privilege accorded to me, Mr. Speaker. As a matter of fact, I was interrupted several times, and probably my time passed a little bit more quickly than I expected.

Mr. Cruickshank: What about Sauriol?

Mr. Speaker: Order.

Mr. Case: I shall simply conclude by saying this. The quicker the government of Canada gets out of business, allows our dollar to seek an honest level, and allows our Canadian businessmen and others to seek markets for our goods, the better it will be for this nation. We then shall enjoy a greater sense of freedom than we have experienced in the last number of years.

Mr. J. H. Blackmore (Lethbridge): May I say a word on behalf of Canadian agriculture? On February 23, 1949, the Canadian federation of agriculture submitted to the cabinet their annual presentation. There were several of the passages in the presentation which I

thought were of particular importance to the country and to this parliament. The first one of these deals with the dangers of fluctuations in our economic system as these dangers will affect the farmers. The second one deals with the need of maximum exchange of goods and services between countries. The third one deals with a recommendation that the government explore every means of maintaining consumer demand, I take it, both within the country and outside; and the fourth strongly recommends that the government work out a satisfactory formula for setting floor prices under agricultural products.

I think it only fair that I should read the quotations so that hon. members will see that I have paraphrased them correctly. They are as follows:

> We feel that if the economic system in the immediate future functions as in the past, without any attempts to control its more violent fluctuations, farmers along with other groups will suffer severely, as they did in the deflation of 1920 and the prolonged depression of the 1930's.
>
> For the maintenance of a successful agriculture it is essential that there be a maximum exchange of goods and services between all countries.
>
> Therefore as a means of reducing instability in the demand of consumers for food we recommend that without delay the government explore ways and means of maintaining this consumer demand.
>
> We therefore strongly recommend that the government should take immediate steps to work out a satisfactory formula for setting floor prices for farm products.

Briefly paraphrased, what the farmers want is this: they want markets at encouraging prices both at home and abroad for all the goods they can produce and offer for sale. The farmers want ample consumer purchasing power at home and abroad and the farmers want just prices.

I notice that there is a tendency on the part of many who speak in the house to cry out against the conditions which obtain in the country, to rail against the government for what it has or has not done; but I listen day after day and month after month for one single solitary solution as to how the matter may be made better. With 245 members paid by this country at the rate of $6,000 a year I maintain that it is a scandalous state of affairs that what is supposed to be the choicest men that this nation can produce should be sent here to spend their time for months and months just whining and complaining.

It is one thing to complain against the conditions being imposed upon agriculture; it is one thing to demand more suitable conditions for agriculture; but it is entirely another thing to prescribe a logical remedy for the ills which have afflicted agriculture for ages. I propose to suggest a feasible solution for Canadian agriculture. May I tell the farmers —and perhaps there will be those who will read my remarks—that the solution to their problems as set forth in the passages which I have read into *Hansard* can be found only through the principles of social credit. May I illustrate social credit so that the ordinary farmer on his farm and in his kitchen at night can understand it.

In the year 1815 the Guernsey islanders wanted to build a market house. The market house was going to cost £3,000. They debated whether or not they should raise taxes or whether they should borrow money and go into debt to build this market house. They finally decided that they would print 3,000 one-pound notes, government notes. You may call them government treasury bills, if you wish, such as the government Bradburys, used in Britain in world war I. Well, they printed the 3,000 one-pound notes and they bought the stone from their quarry and transported it to the place where the market house was to stand. They built the market house and it cost them financially not one single penny. The details are all given in "An Example of Communal Currency" by J. Theodore Harris. It can be found in the library of parliament. It is referred to as being authentic by Sir Norman Angell in the book "The Story of Money" at page 266, published in 1929, and also found in the library of parliament.

There can be no doubt that the experiment was conducted; there can be no doubt that it worked, because it is set forth in detail in that book.

The question will be raised, how was it that the 3,000 one-pound notes did not cause inflation? The reason was that there was a surplus of goods on the markets of the Guernsey islanders, sufficient to absorb 3,000 one-pound notes. When the 3,000 one-pound notes were spent, therefore, they merely consumed the goods which were waiting on the markets, many of which would have been destroyed, paving the way for more goods to be brought into the markets from the farmers and other producers. This experiment was carried on for fourteen years. It just revolutionized the economics of the Guernsey islanders, paying off debts, building roads, and so forth, and creating a state of prosperity which could have been the envy of the whole British empire. There is no doubt this happened. I am telling the farmers who will read this not to let a shyster tell them that it did not happen or could not happen. It did happen. It is history.

The principle which was used by Guernsey island could be used by the Dominion of Canada today, or by any of the provinces, if they had the constitutional authority which, under the British North America Act, they

have not, and that principle would revolutionize the economy of Canada.

May I just deal with three questions which the farmer will be asked to answer. Could the Guernsey islanders have controlled prices with the Guernsey island system? Yes; if they desired to bring down the prices of shoes, or clothes or food or any other commodity in the island, they could have used part of the £3,000 of current currency to pay a part of the price, giving what is called by social crediters a compensating discount, so that if for example a pair of shoes were offered for sale at $5, they could be sold to the consumer for $4 a pair. That is a system of controlling prices which has not been discussed to any great extent in this chamber. But it is the social credit proposal for controlling prices. At least, it is part of what is known as the social credit just price mechanism.

How could the Guernsey islanders have sold, say, a surplus of Guernsey island butter to a country such as the Argentine, for example, which had products similar to those of the Guernsey island? It therefore could not repay the Guernsey islanders with the goods that the Guernsey islanders could accept. This is a problem which vitally affects Canada.

This kind of question requires an answer. And the answer is that the Guernsey islanders could have taken part of the 3,000 one-pound notes and could have bought a surplus of butter, sent it to the Argentine, and sold it on a time basis. They could have allowed the Argentinians to take ten years to pay it back, if they desired. All the Guernsey island producers and distributors would have received their pay, and the Guernsey islanders would not have been a bit worse off because they sold those goods abroad on those terms.

That illustrates the principle upon which we must solve the problem of international trade, as it faces us today. And if that principle is not adopted we shall never solve the problem of international trade when we undertake to deal with have-not nations like Java, India, China, Japan, Britain and others which cannot possibly repay us, or whose goods we will not see fit to accept.

How would the Guernsey islanders have managed when they wanted to buy, we will say, a hammer which was not manufactured in the Guernsey island? Britain would not accept one of the Guernsey island notes. The answer is that a Guernsey islander would have purchased one pound's worth of Guernsey island butter and traded it to Great Britain for a hammer.

Those three questions are vital ones which will be asked by people throughout the country concerning social credit. I have given the farmers' answer. I will tell you that, if this Guernsey island system were applied throughout the Dominion of Canada, the answer to this problem would be found, as I have indicated. The fundamental monetary principle underlying the Guernsey island market-house experiment can be applied to Canada as a whole, and with great success.

We face a world struggling in the grip of circumstances new and bewildering to the average citizen. That is why people feel so frustrated throughout the country; that is why people in the House of Commons are so frustrated. We hear the official opposition railing about provincial rights and railing about communism—because they have nothing else to talk about. We hear the Liberals talking about equally useless things, so far as solving the problems which face the nation is concerned.

There are vast and far-reaching developments which have been going on for many years. The trend finally culminated between 1913 and 1928, or thereabouts, when the world whirled into an age of abundance from an age of scarcity. What is causing us confusion, frustration, bewilderment and disaster is the fact that we have allowed our old economic system used in scarcity to continue to be used under the new economic conditions of abundance. You might as well try to run an ox-cart up Broadway, New York, among the automobiles, as try to run an economic system of scarcity in an age of plenty. There are breakdowns in every direction; there is confusion and disaster unlimited.

Along with this abundance came also a shortage of purchasing power. How did that come about? Simply because great machines were brought in doing the work of scores of men, and producing far more than had been produced before. But it did not give men the money with which to buy the goods produced. The result was an accumulated surplus which in the thirties we called overproduction when, as a matter of fact, it was underconsumption brought about by the fact that we were using machines and technological skills to produce the goods which people were unable to buy, owing to the limited purchasing power which came into their hands.

In 1918, as an illustration of this, United States produced $60 billion worth of goods. But when one counted up all the money which went into the people's hands through wages, salaries, dividends, interest and every other means, it amounted to only $45 billion. Of the $45 billion the sum of $5 billion was reinvested by the people in life insurance and in

other ways, thereby taking it out of circulation. It left the United States with $60 billion worth of goods to sell for $40 billion, which was impossible. Out of that situation developed world war II, indirectly, a matter which I do not intend at the moment to discuss.

In the United States in 1935 they could have produced $135 billion worth of goods. That was enough to give every family in that country $4,400 per year. But only twenty-one persons out of every one hundred in the United States in 1935 were able to get the bare necessities of life, amounting to about $1,350 a year. There were seventy-nine people out of every one hundred in that country who were short of the necessities of life—in a nation able to produce such an abundance of goods. Numerous dislocations were the result of this condition. People were bewildered—and still are—both in Canada and in the United States.

World wars I and II seriously aggravated the situation because they produced further dislocations. For example, until 1914 Great Britain had financial supremacy of the world. That is, the world used British pounds for money. At that time it was easy to get British pounds; all a nation had to do was to produce goods and offer them to Britain for sale. Britain was open to buy almost any kind of primary product. This meant that almost any nation able to produce at all was able to secure British pounds.

As a result of world war I the United States took over financial supremacy of the world, making it necessary for people to get United States dollars with which to do business. It was not as easy to get United States dollars as to get British pounds, because the United States had a high tariff wall. She was able to produce virtually everything she needed.

Not nearly enough attention has been given to this important fact, one which has disturbed the whole economic system internationally, from the very foundation stone. A disturbance such as that cannot be adjusted without the deepest kind of readjustment.

That was the first problem. Then, after world war II, Great Britain was impoverished. Not only had she lost international financial supremacy, but she had almost entirely lost the ability to get the things she needed. The United States had grown into a prodigious financial and economic giant; so that it simply dominated every aspect of world affairs. That aggravated the situation still more. I say that, when we face a world in which such disturbances have taken place, we are simply fatuous if we imagine we can go on using the same system we used before world war I.

How is that going to affect Canada and most other nations of the world? They will suffer from a shortage of American dollars. What is the meaning of this in the United States and Canada? We are unable to sell our goods because the people such as Britain's who formerly bought our goods are no longer able to get the dollars with which to buy them. If we are going to survive, and if we are going to enable our neighbours to survive, we must make adjustments, because we alone are able to do it. We have the productive power.

Discussions in the house up to now have been largely about symptoms, never about causes. As I said a while ago, they have been about complaints rather than remedies. In this, my fourteenth year in the House of Commons, I almost despair when I think how little I have heard from hon. members indicating any desire whatsoever to approach these causes and do something about them. This year we are not even discussing plans; we are discussing largely red herrings and smokescreens. The leader of the opposition (Mr. Drew) opened the session with an elaborate smokescreen which we have been trying for a long time to clear away. Then the other day we found the Liberal party, led by the Minister of Agriculture (Mr. Gardiner), introducing a whole school of red herrings for us to chase about in the political pond. How in the world can a nation like Canada be adequately served by its members of parliament when they waste their time doing such nonsensical things? I suppose the next election will be fought on the question of whether George Drew or Mr. St. Laurent is the better fighter. Can you beat that for a platform? Yet that is just about what the platform will be. That is just about the issue.

An hon. Member: What about social credit?

Mr. Blackmore: Social credit will be lied about and misrepresented by the Liberals and the Conservatives until the people will not have the slightest idea of the truth about social credit. I shall be dealing with that in a minute or two. Social credit has no access to the radio; social credit has no access to the press.

Mr. Johnston: Or to the slush fund.

Mr. Blackmore: Or to the slush fund, as the hon. member for Bow River so aptly observes. What will happen in regard to social credit will depend entirely upon how many people read these words of mine or similar words in *Hansard*. Those people will be able to think for themselves with regard to the two great parties in the house whose business it is to enlighten the people, but who are busying themselves beclouding the issues.

We need to ask ourselves as members a straightforward and frank question: Does this house meet to register complaints or to find solutions? Do members come here to rail against the performance of the government in power; or to offer constructive suggestions in a sincere co-operative endeavour to concentrate the abilities and energies of all men of good will, striving to sketch for ourselves the general outlines and nature of the kind of new world order desirable for a free people. When those inside the house and outside the house get down to answering that question frankly, if we face up honestly to the situation we shall do much better than we have done up to the present time in the present session.

Let me urge upon everyone the desperate seriousness of the times in which we live. We hear outbursts against the communists. You may as well deliver outbursts against the west wind or against one of these waves of cold weather that we have had. Of course if you do not do anything about the cause of communists, communism will come—it will come by default.

We of our generation must effect a change from the old world order of say thirty years ago or even earlier to a new world order suitable for tomorrow. Do we suppose that an acceptable new world order will create itself just because we need it urgently? Do men ever assume that a new type of machine, a new mowing machine or a new type of technological skill such as that having to do with plastics, will design, devise and construct itself? Have we left to chance the working out of new techniques of warfare? Certainly not. Why should we leave to accident the fabrication of effective new techniques of peacetime? One essential technique of peace must surely be our economic system. How can we content ourselves in leaving the needful changes in our economic system to drift? We must not so neglect our economic system.

Here is an example of the typical attitude to be found on the government benches. They held a Liberal convention of all Alberta in Calgary in February and our dashing young man-about-town, the Minister of Reconstruction and Supply (Mr. Winters), went out there full of exuberance and oratorical skill. This is what he said, and I quote from *The Albertan* of February 3, 1949, front page:

> In Ottawa very few of us understand what the Social Credit party stands for, what it means or what it represents.

The minister did not say that any of them understood what social credit meant.

Mr. Johnston: There are only a few of them over there now.

Mr. Blackmore: Their failure to understand is certainly not due to any lack of effort on the part of the Social Credit party to explain nor to any lack of literature that would make perfectly clear the meaning of social credit.

I hereby invite the Minister of Reconstruction and Supply to study social credit.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at seven-thirty o'clock.

Mr. Blackmore: Mr. Speaker, at six o'clock I was arguing that the only way it will be possible for the Canadian federation of agriculture to attain the objectives it set forth as desirable in its presentation to the cabinet on February 23 is by the implementation and use of social credit principles.

Social credit is based upon the proposition that the power of a government to create money representing surplus goods already on the markets and coming upon the markets can be utilized by a sovereign government as an important source of revenue.

The key to an understanding of social credit and its proposals is the understanding of money. I hereby invite the members of parliament to begin at once to study the important question of money. I hereby invite any member of the house to answer the following questions about money.

1. Has Canada now sound money?

2. If so, what makes a nation's money sound? Is it gold backing? Is it price control? Is it having money all borrowed into circulation? Is it having abundant production? Is it having much trade; or is it a combination of these, together with some other factors? We find a great many people running around the country sneering about "funny money." We are giving them a chance now to either put up or shut up.

3. When is it likely to be harder to keep a nation's money sound, in peacetime or in wartime, and why?

4. Was Canada's money sound before the Bank of Canada was established, and why?

5. Before the Bank of Canada was formed, did the dominion treasury print a proportion of Canada's paper currency?

6. Was a two-dollar bill printed by the dominion treasury before 1934 unsound? If not, why not; and if so, why so?

7. Was the Finance Act of 1923 unsound, and why?

8. Was the Finance Act of 1915 unsound, and why?

9. Did the dominion treasury in world war I create and use in the prosecution of the war $26 million of debt-free money? See the report

of the royal commission on banking and currency in Canada, published in 1933.

10. Were those dollars unsound or sound, and why?

11. Did Great Britain, in world war I, create hundreds of millions of pounds of Bradburys, and with them win the war? See Dr. William A. Shaw, "Currency, Credit and the Exchanges."

12. Were those pounds sound money or unsound money?

13. If unsound, how did Britain win the war with them?

14. If sound, was there any sufficient reason why Britain should have turned the redemption of those pounds over to the Bank of England?

15. Were British sterling pounds sound international money prior to 1914?

16. Were they sound before 1939?

17. Why, in the case of questions 15 and 16?

When hon. members of this house, or any of them, get the answers to these questions they will know something about money. If the Minister of Reconstruction and Supply (Mr. Winters) will study these questions and get the answers, he will not go out to Calgary again and make inane remarks.

I particularly challenge five members of this house to answer those questions on the floor of this house. They are the Minister of Reconstruction and Supply, the Minister of Finance (Mr. Abbott), the Minister of Agriculture (Mr. Gardiner), the leader of the opposition (Mr. Drew) and the hon. member for Muskoka-Ontario (Mr. Macdonnell), who I understand poses as the financial expert of the Conservative party. I want to see just how much of the financial expert there is in him.

I defy any member of this house to show in this house that the social credit concept of money is fallacious in any respect. I defy any one of the five above mentioned gentlemen to accept my challenge of today, some time during the present session of parliament. If any one of the five indicated fails to accept this challenge or to meet this defiance, I will announce his failure by whatever means and in whatever place can be made available to me. That will be taken as clear evidence that the government and the opposition cannot possibly explain away social credit, and that is why they devote themselves so much to a lot of silly remarks about it, such as "rubber money" and all that kind of thing.

This challenge and this defiance are extended to include specifically the Montreal *Star*, the Montreal *Gazette*, the Toronto *Telegram*, the Toronto *Daily Star* and the Winnipeg *Free Press*, as well as each of the Alberta daily newspapers. Each of these organs has been loud in its denunciation of social credit. Here is a chance for them to put up or shut up. They can answer in their editorials and send me the editorials. That is all I ask; I will carry on from there. This defiance also includes any other newspaper, person or agency that feels disposed to enter the fray.

This challenge and this defiance also include specifically the whole dominion Department of Finance, from the deputy minister, Dr. W. C. Clark, all the way down the list of his advisers and experts. Evidently the poison which has been affecting the whole attitude of the Liberal party in Canada concerning money has been emanating from that department. Here is a good chance for them to put up or shut up. They can advise members of the house, and those hon. members can report here.

As soon as this house determines the soundness of social credit's monetary proposals the Canadian nation will be in a position to give Canadian agriculture a real fair deal, for the first time in the history of the country.

No industry in Canada has been so disgracefully abused, so kicked about, so disregarded, so ignored and so maltreated as has the industry of agriculture. The time is long past and gone when that sort of thing should stop. Once the house takes a proper attitude on money we shall have a real chance of doing for the farmers what they asked in the four excerpts I read into *Hansard*.

We shall be in a position also to devise and construct a new order, acceptable to free men. We shall not be in danger of drifting into communism, which is the thing we are drifting into. I say, Mr. Speaker, that the Liberal government's method of dealing with the farmers in respect of income taxes smacks of communism to such an extent that I believe even the Russians would be ashamed to have that sort of thing happen to their farmers. That may sound like a wide and sweeping statement, but I can bring plenty of evidence to back it up, and before this session is over I shall probably do so. The thing that is important to bear in mind is that we do not need to wait until some party that has the name of communist comes into power. You can have a party with the good name Liberal or the respectable name Conservative still communistic in its thinking and in every act it performs.

I expect the replies of the five hon. members I have mentioned, and the sooner they get those replies in, the better because I am going to be reminding them quite regularly in this house of what I have said.

The simple fact is that we are just playing with governing this country. The Liberals

know perfectly well that under the present financial system they cannot govern the country as it should be governed. They know they cannot possibly distribute enough purchasing power, for example, to permit the children of this nation to have the milk they need. They know perfectly well they cannot give the old age pensioners anything like the amount they ought to have. They know they have cheated the veterans at every turn of the road. Already, they are beginning to take away part of the pensions that have been granted to the veterans, notwithstanding the conditions in which the veterans find themselves.

Just to illustrate how pathetically their policy is working out, even on the eve of an election, let me quote from an article which appeared in the Ottawa *Citizen* of February 26, 1949. This information comes from the milk foundation of Ottawa.

A survey recently made by the Department of National Health and Welfare reveals the startling fact that 27 out of every 100 of our school children are definitely undernourished. An additional 23 out of every 100 children revealed signs of probable malnutrition.

In Ottawa milk is now 18 cents a quart and every child is supposed to have a quart a day. Mr. Speaker, there is not a member on the Liberal side—in fact I will defy any member to question what I have to say—who can maintain that that illustrates good government. The Minister of Agriculture (Mr. Gardiner) can come in here and scatter his red herrings, even though he knows this is the ghastly sort of thing that is being done in this Canada of ours, even in an election year. So, Mr. Speaker, I say you do not need to have a communist government in power to get communist government. We can get that, and we get it automatically, unless we take safe and sane measures to guarantee our way of life.

(Translation):

Mr. Lionel Bertrand (Terrebonne): I do not intend to speak at any length; I shall need but a few minutes to state my views and those of my constituents on some matters of a general character.

First I wish to congratulate the mover and the seconder of the address in reply to the speech from the throne. The hon. member for Essex West (Mr. Brown) has to his credit an experience and a parliamentary ability which do him great honour. As regards the hon. member for Laval-Two Mountains (Mr. Demers), he is already commanding the attention of his fellow members. As we represent neighbouring constituencies I was glad, in the December election, to give him my co-operation and I do not regret having done so.

I would not want to refrain from commenting on the retirement of the Right Hon. Mackenzie King and emphasizing his long years of service to Canada. His name and his work will go down in history. May I also, on behalf of my constituents, wish to the Right Hon. Louis St. Laurent the success he has every right to expect. His task is a heavy one, but God has endowed him with all the qualities necessary for its successful accomplishment. Besides, the way he has steered the ship of state since assuming the high position of prime minister ranks him among the most outstanding of our statesmen.

I represent a constituency in the southern part of which agriculture and industry are proudly competing for supremacy.

The central and northern parts are exclusively tourist areas. My constituency belongs to that wonderful district called Canada's Switzerland, which is renowned throughout the American continent. So I insist, as I did in 1948, upon the appointment of a minister of travel and I propose to bring up the same subject again when the dominion travel bureau estimates are brought down. I am in favour of the appointment of an ambassador to the Vatican. The world is troubled by constant threats of war and by spreading and increasing confusion. Above human frays and political disputes, His Holiness the Pope preaches peace and love among all peoples. Rome is a beacon in the storm and the Pope's utterances leave unconcerned neither Catholics, of whom he is the spiritual leader, nor the faithful of other religions who see in him one of the greatest figures in world diplomacy. His diplomacy originates from God and when he begs men to place God at the basis of their lives, when he asks nations not to forsake spiritual values, the only ones which really count, His Holiness is showing the world the only formula for true progress, for real security and enduring peace. About thirty countries are represented at the Vatican. Canada, a nation which now counts in the world organization, must also make it a point to have an ambassador to a state which is above all states, to a sovereign who has no army other than his moral strength but who can be, through this strength and with God's help, a powerful and unbiased counsellor to the whole world.

I am in favour of allowances to crippled and disabled persons. I hope the resolution which appears on the order paper will be

discussed at the present session. The crippled or disabled persons are a neglected and forgotten class, and I suggest immediate consideration of a plan whereby the government alone could give the underprivileged the place in the sun to which they are entitled, should the provinces refuse to co-operate after being duly approached.

Along with the people of Terrebonne and all citizens who believe in God and respect human freedom, I reprove those who, in Hungary, plotted against Cardinal Mindszenty and other members of the clergy, organized their trial and shared in their conviction. I urge the government to keep on protesting to Hungary and again request the release of the distinguished prelate. And should nothing come of it, should Hungary resist the pressure from all the countries in the world, let the case be referred to the United Nations. The world also has evidence that communism is resolved to control men's souls as well as their bodies. Every means then should be taken to check any outbreak or the progress of communism. Legislation alone will surely not stop the diabolical workings of this insidious doctrine. In addition to necessary legislation, let there be improved social security measures. Let us put an end to poverty, spread happiness, remove the causes of social injustice, provide employment. These are sure ways to destroy communism.

If the north Atlantic pact is to be a union of nations who wish to pool their power, for the ultimate purpose of ensuring peace, averting war, checking war-mongering and effectively fighting communism throughout the world, it will be the most opportune and practical action ever taken by democracy in our time. I believe, for my part, that every country which is a party to the pact must be at liberty to decide, when the conflict begins, if at all, the part it will take in it.

Mr. Speaker, I favour the adoption of a distinctively Canadian flag, which will owe nothing to France or Great Britain, or to any other nation in the world, and, being entirely Canadian, will become the rallying standard of a people which must shape its own destinies, as it is quite capable of doing.

There is another matter about which I particularly wish to express my opinion, which is that of all our people. I am speaking of a tax reduction, with special reference to income tax.

[Mr. Bertrand (Terrebonne).]

I very much admire the Minister of Finance (Mr. Abbott), and I feel it unfortunate that his position has compelled him to accept the entire responsibility for the last few budgets, that responsibility being that of the whole government. I admire him very much, as I have said before, but I do not have quite the same feeling for some of the officials in his department, whose ability I do not doubt, but who, not being responsible to the people, are not quite close enough to them to understand them. They will perhaps say that taxes must remain high in order to conform to great principles of economics, but the public will no longer, in 1949, accept this view, which, though its soundness may be argued, no longer matches the needs or the wishes of the people. The Minister of Finance, himself a member of parliament, is acquainted with his constituents' wishes. I have confidence in him. What the people want is not merely to exist; it is to breathe, it is to live!

From 1941 to 1946 the Canadian people were so heavily taxed that it would have been foolhardy to increase the taxes. In wartime sacrifices were necessary in order to win the war and to save democracy. Taxes were deducted at the source. The lowest of wages were taxed, compulsory savings were set up, and the people accepted that taxation burden. They were told that at war's end everything would revert to normal; already they could visualize all the comforts that would be theirs after the war, the long happy carefree days of peace and contentment. During the war, from one session to the other, the iron-collar was tightened, but the people were willing to pay to win the war, even if they grumbled about the gifts and grants to Great Britain which, incidentally professes her love for us when she is in a spot but too often even lacks the decency to show us a mite of gratitude when it comes to preferential treatment in matters of trade.

The war is over. But the income tax has not been substantially reduced compared to the fantastic increase in the cost of living. The average taxpayer, the ordinary worker, the man who lives on a pension do not live nowadays, they simply exist. And what amazes me most is the publicity given to our surpluses. In December the press announced in bold headlines a surplus of $900 million for the first nine months of the fiscal year.

That is a lot of money, and I am glad Séraphin is not living today.

Experts may have the best reasons in the world for wanting to set up reserves, reduce the national debt and ensure financial stability in this country but let us not forget that the people in turn have reasons for wanting, after eight years of efforts and true co-operation, to be treated with a consideration which would really please them. I was moved recently when a worker told me, in his own rough but truly sincere language: "All we have been served these last few years in the way of tax reductions are sandwiches, while we wanted a full meal". These hopes for a sizeable income tax reduction are shared by thousands of employees and they are legitimate hopes which, if left unfulfilled, will be a source of acute disappointment. There are thousands of industrial workers in my constituency and all share the same views. This government must keep the confidence of the people. A sizeable income tax reduction would be in order now that general business conditions are becoming normal again and that the country has carried out its post-war responsibilities. The Liberal party is the party which, according to public opinion, best embodies the yearnings of the Canadian people and that is why, during the course of this session, it should grant the demands of the people in general. Let there be luxury taxes; that is all right, but homes and families should not be taxed further. Let us do away with the tax on soft drinks. It might be alleged that soft drinks are harmful to health but nevertheless, even if that dubious allegation is accepted as true, soft drinks are the beverage of the low-income families. Let the government abolish the tax on the chocolate bar, which is the favourite candy of most families. Let them raise to $2,400 and even to a higher figure the basic income tax exemption, which will enable low-income families to live in greater comfort. Let them also grant a special concession to the young men and women attending colleges or universities. Many talents remain undeveloped through the scantiness of family resources. In short, let the government forget the small taxpayer and concentrate on the one with ample means. Wage earners can hide nothing; the deduction at the source even deprives them of the satisfaction of handling the money they earn, and of putting it to good use during the year. On the other hand, wealthy people can mention a lot of expenditures, they can conceal securities, do transactions, resort to speculation, and so on. Two weeks ago the newspapers reported the case of a business man who, it was said, had eluded payment of taxes amounting to a few million dollars. Let the department of income tax concentrate on powerful companies which are playing hide and seek with it. What it will thus recover from them will more than compensate for the small sums it would obtain from a multitude of people in the normal everyday welfare of whom pennies play an indispensable part.

The Liberal party has always been recognized as the only protector of the people, which the Progressive Conservative party cannot boast of being, for it always has been known as the protector of big interests and large businesses. The Liberal party has to its credit popular achievements which cannot be denied. In the realm of social security, for example, has it not led the way? What changes have gone on in that field since the day when, in 1927, it brought down the Old Age Pensions Act! All the provinces did not accept it at once, but not one of them would do away with it today, even for the sake of autonomy. Even those provinces for whom autonomy is the theme of the hour would be much embarrassed if Ottawa did not pay 75 per cent of the cost. Among the measures are one granting pensions to the blind and administered on the same basis as the Old Age Pensions Act, with the lion's share being paid by Ottawa; the Unemployment Insurance Act, 1940, which I consider deficient in numerous respects, too slow in its application, too arbitrary in numerous cases where a decision should be based on circumstances alone, but nevertheless essential at certain times for the protection of the labourer temporarily out of work; the Family Allowances Act, 1945, so bitterly criticized by the present leader of the opposition and the upholders of autonomy at the time, but which the people consider as a refund wholly provided by Ottawa from the financial resources of the country and applied, without any political considerations whatsoever, to the full development of our young people. The latter, once grown up, will carry on the task of keeping the country big, strong and free. There is also the national health program still in its initial stage, and the grants to the provinces for the building of hospitals, for the prevention of all kinds of illnesses, which grants the provinces may accept without sacrificing any of their rights. And tomorrow we shall have disability insurance, destined to protect the workingman against the hazards and insecurity of life, to assure him, all day long, that should he become an invalid, his wife and children will not be destitute or dependent upon public relief. In short, the Liberal party has shown the way and made it easier. However, for the sake of the people's security, the Liberal

party must have the country's confidence. The people ask for a reduction of taxes. Circumstances and the financial position of the country warrant it. Let us comply with the people's wish!

That is my opinion. I should have been ungrateful to the people who proved their friendship for me in so many ways in 1940 and 1945 had I not spoken in their name as I did just now. A member should be the spokesman of his electors. What the people want is a good standard of living, wages that will provide for their family a normal cost of living, full employment, labour legislation to protect the workers, a little sunshine and security in their daily work. They also need to feel, deep down in their hearts, that in their daily work and in special circumstances, they can count on the co-operation, the support and the friendship of the government they elected. In Canada, I repeat that the Liberal party is considered the party of the people. Let it prove itself worthy of their confidence during the present session, and they will keep on supporting it.

(Text):

Mr. D. S. Harkness (Calgary East): In my remarks the only reference I shall make to the speech from the throne is this: I should like to congratulate the mover and the seconder of the address in reply. I am particularly pleased to congratulate the hon. member for Essex West (Mr. Brown) because I have been fairly closely associated with him for the past three years on the Indian affairs committee. This committee was engaged for that long period in trying to determine how a better deal could be provided for the aboriginal inhabitants of this country. The committee heard a mass of evidence from Indians, from departmental officials, from church representatives and from other people on what has been wrong with our past treatment of the Indians and our present treatment of them. We also heard evidence in connection with changes which should be made in the Indian Act, and the administration of that branch of the government to improve the situation. Perhaps the evidence which we heard was too voluminous to be well digested by the committee, but in any event we made a tentative revision of the act which it was thought would remove at least some of the injustices and disabilities under which our Indians are labouring.

My understanding was that this recommended revised act would be submitted to the law officers of the crown, who would remove the kinks in the wording, and things of that kind, during the parliamentary recess, and when parliament reconvened for this session the act as reworded would be submitted to the Indian affairs committee for final study and amendment, and then introduced in the house. Thus it was with considerable surprise that I heard the Minister of Mines and Resources, in reply to a question from the hon. member for Yorkton (Mr. Castleden), make the statement which appears at page 184 of *Hansard* of this year, and which reads as follows:

> It has not yet been decided when the bill will be introduced. It may be that we shall reconstitute the committee and ask its members to make a final survey of the bill when it comes from the Department of Justice. This procedure may facilitate agreement between all parties when the bill is returned to parliament. However, this is just my thought and no official decision has been made.

I am surprised, first of all, that in the seven months of the parliamentary recess the law officers of the crown were not able to revise the draft act which was submitted to them. I am surprised that they have not yet finished this revision. As a matter of fact, I have heard rumours to the effect that they have not yet done any appreciable amount of work on it, if any. I have also heard rumours that the bill is not to be introduced this year. I sincerely trust that these rumours are false. I think the minister should immediately make a statement as to what are the government's intentions in this matter. That is necessary in order to quell the fears which have been raised that nothing is to be done. After the large amount of work which was done on revising the Indian Act by members of both houses of parliament, by departmental officials, by literally hundreds of Indians and by many other people, and after the high hopes which have been raised in connection with the matter, it would be deplorable if things were just allowed to drift on as they are, and nothing further was done in the matter before this parliament comes to an end.

As a matter of fact, Mr. Speaker, I should like to warn the government that if that is the position which they intend to take it will have very bad effects from the political point of view. It is well known that Indians cannot vote. But in this country there are many thousands of people who are sincerely interested in the welfare of our Indian population, and if this matter is not brought to a conclusion during this session of parliament, the political effects will be serious for this government.

I should now like to turn to another subject. On Friday last the hon. member for Bow River (Mr. Johnston) brought up in the house a matter which is of great importance in the city of Calgary, and which I think is a matter of national importance. I refer to the housing mess under the National Housing Act and the Bow River Construction Company project in Calgary. I believe it is of national importance because the mistakes made there, the injustices and the hardships

imposed on veterans, have also occurred, I believe, in other parts of Canada.

This particular housing project happens to be in my own constituency, and I was asked to look into the matter by a considerable number of the victims. The hon. member for Bow River has covered the situation very well and in considerable detail. I do not propose to repeat what he has said, but there are some points which I should like to emphasize. The people who got houses under this project bought what they were given to understand would be a completed house for a specific sum of money. The way in which it was done was as follows: They went to a real estate agent and paid to him the difference between the mortgage held by the Manufacturers Life and the sale price of the house. None of these purchasers had anything to do with the arrangements made between Central Mortgage and Housing Corporation, the Manufacturers Life and the Bow River Construction Company. As a matter of fact, subsequently they were not even allowed to look at the plans and specifications and thus be able to determine for themselves whether the houses being built were actually being constructed according to the plans and specifications or not. These people were told by the real estate agents and so forth that the houses were being built under the National Housing Act, and that inspection of these houses to guarantee proper construction would be carried out by the Central Mortgage and Housing Corporation and by the Manufacturers Life.

In other words, they were given to understand that all they had to do was to put up their money, and when the house was completed move into it; and since it was a government-sponsored project they had nothing to worry about. In the letters which I received from the Central Mortgage and Housing Corporation, and in the conversations which I had with their local manager in Calgary and so on, the corporation always emphasized the fact that they had no legal responsibility for the deficiencies which have developed in these houses. Whether that is so or not I do not know, but if it is so then certainly there is a deficiency in the law which enables these corporations or the Central Mortgage and Housing Corporation and the Manufacturers Life to deceive—I think that is the only word which can be used—the men who bought these houses, and to leave them in the lurch.

If the corporation and this government—the corporation, of course, is an agency of the government—have no legal responsibility, they certainly have a strong moral responsibility, and that moral responsibility they should assume. The only solution put forward by the government and by the corporation is the one stated last week or the week before in the house by the Minister of Reconstruction and Supply (Mr. Winters), namely, to increase the amount of the mortgage.

This is no solution at all. I should like to give an example in that connection. A young air force veteran, whom I know well, and who spent four or five years in the air force during the war, bought one of these houses. He is now told that the cost of putting it in a state of reasonable repair, so that it will be livable, will be about $3,500. At the present time he has an equity in the house of between $2,000 and $3,000. He said to me that if he assumed a further mortgage of $3,500 it would mean his entire equity would be wiped out, and in addition he would be several hundred dollars worse off than if he threw up the whole thing and went out to buy a new house.

Of course the catch in his going out and taking that course of action is that his money is gone, in this particular housing project. He is stuck. He can see that if he assumes this further mortgage of $3,500 he is not only paying for a dead horse, but he is paying interest on a dead horse, as well as several other charges. What can he do? He sits there, practically helpless; and many other people are in the same situation. Some are worse off and some not as bad, depending upon how much it will cost to put each house in reasonable condition.

Central Mortgage and Housing Corporation are responsible for the shameful condition of affairs existing. The reason they are responsible is that they selected and approved the contractor who carried out this housing project. This was a firm of contractors without the experience necessary to construct houses of any kind, a firm without any financial backing sufficient to make good any deficiencies which might develop.

I cannot see how the government and the corporation can get out from under that responsibility by any legal quibbling, or anything else of that nature. That being so, I call upon the government to appoint a special committee of the house to investigate the activities of the Central Mortgage and Housing Corporation, with special reference to the Bow River construction project in Calgary. This committee should have power to recommend to the government the action to be taken to relieve the distress of these people who have been victimized in the project—and not only in this project but, I suggest, in others of a somewhat similar nature which will be discovered across Canada.

Furthermore, the committee should be appointed just as quickly as it can be done.

The matter is urgent and for this reason: The hon. member for Bow River (Mr. Johnston) on Friday last said that foreclosure proceedings had already been taken against two of the holders of these houses. Then I found in a Calgary paper last week that several more have had foreclosure proceedings instituted against them. Apparently the plan of the Central Mortgage and Housing Corporation and the Manufacturers Life Insurance Company is to proceed against these people piecemeal, to close them out one at a time, and thus prevent what one might call a mass complaint at any one time.

Next I should like to say something about oil. This is an important subject upon which I have spoken in the house at every session since I have been here. I am sorry to say, however, the government does not seem to have become aware of its importance, and has not taken most of the steps to encourage the search for oil recommended by the Alberta Petroleum Association, now known as the Western Canada Petroleum Association, and by others who are familiar with the oil industry.

I should like again at this time to draw to the attention of the Minister of Finance (Mr. Abbott), whilst he is engaged in the preparation of the budget, the recommendations I first made in the house on July 18, 1946, and have repeated at every session since that time. I shall not go into these recommendations in detail. They are concerned with the tax deduction for deep test wells, with increased depletion allowances for oil wells, with placing the present tax concessions on a permanent basis, and various other technical income tax matters. I have drawn all these matters to the attention of the minister so often in the past that I am sure he knows what they are. If he does not remember, then I suggest he refer to my speeches of July 18, 1946, and February 13, 1948.

The oil industry has received very little attention from the government; and in my opinion it is time they took at least some steps to encourage what is becoming in western Canada one of our most important industries. Since the trip to Alberta in January of this year by the Minister of Finance I should hope that he would now have a better appreciation of the importance of the oil development taking place. As a result I should hope that he would be prepared to incorporate in the budget some of the suggestions made to encourage and to increase that development.

He was reported in the Calgary *Herald* of January 5 as saying:

> Alberta's oil and cattle have contributed greatly to the bettering of Canada's position in regard to United States dollars.

[Mr. Harkness.]

In addition to improving our dollar position, oil production in Alberta has, by the production of new wealth, put a great deal of money into circulation in this country, and has provided a great deal of employment, not only for those directly engaged in the search for oil, but for workmen of all kinds engaged in producing materials used, and in building pipe lines and refineries.

I should like to give briefly something of the picture of what has been happening in the past year in Alberta in connection with the search for oil. In 1948 some 365 wells were completed, of which 133 were dry holes. That indicates of course that this is still a risky business, requiring large amounts of risk capital. The rapid increase in drilling which has taken place can best be illustrated perhaps by comparing the increase in drilling footage. Hundreds of thousands, and millions, do not mean much to most of us. So, instead of expressing this in terms of feet, I have reduced the figures to miles.

In 1946 wells were drilled aggregating a little more than 75 miles; in 1947 this was increased to just over 166 miles, or more than twice as much. In 1948 the wells drilled amounted to more than 322 miles, or almost twice as much as in the previous year, and four times the figure of 1946. In 1948 we produced in Alberta nearly 12 million barrels of oil, an increase of over 4,500,000 over 1947. The significant fact, which is often lost sight of, is that nearly half the 1948 production came from the old established field of Turner valley in my own constituency, which up until 1947 produced nearly all the oil recovered in Canada.

However, this picture is rapidly changing and last week Turner valley was responsible for just over one-quarter the oil produced. The amount of this production is now approximately 50,000 barrels a day, which is a new record in our oil production. The latest week for which I have figures for the various fields is the first week in February when production was approximately 46,000 barrels per day. As I indicated a minute ago, that has since been increased to 50,000 barrels a day. The 46,000 barrels per day was distributed among the various fields as follows:

	barrels
Turner Valley	13,000
Leduc-Woodbend	25,000
Redwater	5,000
Lloydminster	1,100
Other fields combined	1,900

Those are approximate figures to the nearest hundred. The consumption of oil in the prairie provinces is upwards of 45,000 barrels per day at the present time so that Alberta is able to supply all that market

and have some left over for eastern British Columbia and other places.

I should like to mention that pipe lines and refining facilities have not been equal to the great increase in production which has taken place. This is a condition generally met with in the development of oil fields. Once production begins to increase rapidly, pipe lines and facilities for marketing are not equal to the production. We are just getting into that stage at the present time. When that happens the wells will have to be rationed and production will have to be cut down so that each well may gets its fair share of what market is available or of what can be taken out.

The construction of pipe lines and refineries is going forward rapidly. A pipe line from Edmonton to Regina is now assured and Imperial Oil Limited are going ahead with construction this year. I understand it is to be 16 inches in diameter and will have a capacity of 100,000 barrels a day. With the present production of all Alberta fields being only 50,000 barrels per day, it will be seen that it is anticipated that production is going to be increased materially.

As more wells are brought in I am sure the pipe line will be extended eastward to Winnipeg and the head of the lakes. The day is rapidly approaching when the oil fields of Alberta will be able to supply the entire Canadian market. At the middle of February there were 105 wells being drilled in Alberta, exclusive of the Lloydminster field. I left that out because that field produces a very heavy type of crude oil which is suitable only for locomotive use, the making of asphalt and things like that. In addition the wells are mostly small producers.

Perhaps I should note that these wells are distributed throughout some 54 separate areas, and only a few of those 54 areas are proven fields. In other words, a large number of wells are what are known as wildcats, any one of which may bring in a new field. The rate at which new fields are being brought in is indicated by the fact that in the past two weeks five new fields were brought into production in Alberta by the bringing in of successful wildcat wells in each case. It is estimated that in 1949 some 450 wells will be drilled. If the ratio of success is as large as it was last year, the resulting production will be materially increased.

All of this gives some idea of what has been accomplished and of the enormous possibilities which exist. Oil men in Alberta believe that the oil resources of that province have merely been scratched up to the present time. The fact that successful wells have been brought in in widely scattered areas would indicate a strong possibility, in fact I would say almost a certainty, that scores of new fields will be found in the intervening areas.

If you take a map of Alberta on which the present oil fields are indicated, you will see that there is a tremendous rectangle of territory on the edges of which oil fields have been discovered. Starting at the southeast corner, there are the oil wells at Pincher Creek. Then leaving there and going up along the line of the mountains you have the wells in the Turner valley, and then up beyond that again you have the wells at Leduc, south of Edmonton. Northwest of Edmonton there is the Barrhead field which was brought in just last week. Beyond that again are the McMurray tar sands, and then away to the north outside the province are the Fort Norman wells.

Coming back northeast of Edmonton you have the Redwater field and then going east to the Alberta-Saskatchewan boundary you have the Lloydminster field. From there you go south where you find another field that has been brought in at Hanna which is northeast of Calgary and southwest of Lloydminster. South of there again you have another field at Princess, and then down at the Montana border there are wells near Coutts. That gives a large rectangle of territory with oil fields around its edges. It is almost a certainty that the intervening area can be developed to produce a large amount of oil.

Some oil men are of the opinion that even more oil will eventually be discovered in Saskatchewan than has been discovered in Alberta. Of course little development is going on in that province because there is a C.C.F. government in power. Surveying and drilling expenditures in Alberta are running to about $4 million per month, but oil men are not going to spend money like that in a province where the government in power is likely to seize the fruits of their efforts.

In this connection I should like to say something about the benefits which the government and the people of Alberta have received from the policy which has been followed in the development of oil in the province. Nearly all the mineral rights in Alberta are owned by the crown in the right of the provincial government, which retains a twelve and a half per cent royalty on all oil produced from those lands. I would estimate that at the present time this gives Alberta a revenue in excess of $15,000 a day, which amount of course is increasing every week. In addition, however, the government retains a portion of every exploration lease

granted an oil company, and that land, or rather the mineral rights on it, have become available to the government for sale. In the present month the Alberta government sold the mineral rights on two sections of this land in the Redwater field, that is 1,280 acres, for over $5 million. In the eleven months of the present fiscal year the government of Alberta has collected over $11 million from leases, royalties, rentals and other fees in connection with oil exploration and production.

This is only the beginning, Mr. Speaker. If this development continues, as it seems certain it will, I am convinced that soon the province will be in the happy position of having so much revenue from oil that it will be unnecessary to impose any taxes if it does not wish to do so. The way in which these oil revenues are mounting and are likely to mount is simply stupendous.

It has been said many times that Alberta has more resources than any other province in Canada, but the truth of this statement is only now becoming apparent. In that connection I should like to emphasize that oil is only one of the potential sources of enormous wealth. We also have tremendous quantities of natural gas; we have greater known coal reserves than all the rest of the dominion put together and, even more important, we have about the largest area of arable land, with a favourable rainfall for the continued production of farm products of all kinds, of any province in Canada. Up to the present we have had comparatively little manufacturing. That will come, however, and I think very rapidly. In my opinion Alberta is indeed the land of opportunity and will continue to be such as long as we keep the dead hand of socialism off it, with the stultifying effects that philosophy always produces.

I now turn to another subject: the protection of the population of Canada in the event of a third world war—an atomic war. This threat does not appear so ominous or imminent at the present time as it did some months ago; nevertheless it exists, and I believe the first duty of the Canadian government is to take whatever steps may be open to it to minimize the loss of life which would take place if such a war occurred. I am not referring so much to the purely military preparations we should make, and I hope are making to some extent. Rather I am referring to what in England during the last war were called passive defence measures for the civilian population against air attack.

The atomic bomb is primarily a weapon to be used against the cities and industrial areas of an enemy; and if a war should come between the western democracies and Russia there is very little question but that this terrible weapon would be used against such targets in this country. I believe a large number of people have lulled themselves into a false sense of security in the belief that Russia does not have the so-called "secret" of the atomic bomb and will not discover it for a long time. From what I can learn by reading the published opinions of a considerable number of the best known nuclear physicists, there is no such thing as a "secret" of the atomic bomb; it just does not exist. The principles of nuclear fission were known to scientists in all countries of the world before the last war, and all that is necessary to produce an atomic bomb is a sufficient number of these scientists, with the large plant required, and sufficient time. As far as I can learn, any industrialized country can produce an atomic bomb if it has the scientists and is able to provide the money, plant and time. That is what we did during the war, and by "we" I mean the United States, Great Britain and Canada. From what I can learn, at the time the first atomic bombs were dropped on Japan the men who know most about this sort of thing estimated that it would take the Russians anywhere from three to ten years to produce atomic bombs in quantity, and most of those scientists believed it would take from five to six years. I would point out that nearly four years have passed already since the first atomic bombs were dropped, and the probability is that Russia will have a supply by 1950 or 1951, if indeed she does not have them now.

The question for us, then, is what steps we have taken or should take for the protection of the civilian population of this country. I believe the government should make a statement on this important matter without delay. For security reasons no one would expect the government to announce what military steps have been taken, but security considerations do not prevent the disclosure of what has been done and what is projected to minimize the effect of attacks on the civilian population.

Mr. Cruickshank: If the hon. member will permit a question, would we have to consult the provinces on that matter?

Mr. Harkness: Well, Mr. Speaker, I would welcome a serious interjection by the hon. member for Fraser Valley (Mr. Cruickshank), but unfortunately he never makes any. It is true that a start has been made in tackling this problem. As I understand it, General Worthington was appointed by the government to survey the situation and submit plans for passive defence measures for this country. In my opinion this should have been done long before it was, and some of these measures should have been undertaken already. It is

generally accepted, I think, that there is no effective defence against atomic bombs. Some are bound to reach their target, no matter what is done. The best method of minimizing their effect is the dispersal of our population and industries. Unfortunately our industries are not well dispersed; they are nearly all concentrated in the manufacturing centres of Ontario and Quebec. I suggest that one way in which this could be corrected would be by encouraging the establishment of new industries in the smaller cities and towns across Canada. This would have other good results, apart from giving us greater protection in case of an atomic war. A definite method for accomplishing that would be for the government to refuse loans from the Industrial Development bank to firms wishing to build in the present congested industrial areas, and to extend loans more freely to firms establishing elsewhere.

Pressure could also be put on other lending institutions to the same end. Another avenue open to the government to accomplish this dispersion of the population is to refuse to lend money for home building or to put up government-sponsored housing projects in the large centres of population. I refer particularly to Toronto and Montreal, since those places would have to be evacuated by a large percentage of the population if atomic attack ever came to this country. I can see no indication that the government's housing program is being conducted with any of these ideas in mind, and it is my contention that it should be.

Precautionary measures to meet the threat of atomic war are a long-term planning proposition, and government action of the sort I have spoken about should be undertaken at once. If atomic attack on Canada were imminent, a scheme of evacuation from all large cities to country towns and camps for all people not needed in the cities would be necessary. To make such a dispersion plan practical, existing accommodation in country areas needs to be surveyed. The stock piling of food, medical supplies and other necessaries must be arranged. Perhaps depots will have to be built for that purpose.

The Acting Speaker (Mr. Golding): I am sorry, but I have to remind the hon. member that his time has expired.

Mr. Harkness: I can finish in about one minute.

Some hon. Members: Continue.

Mr. Harkness: There is probably a need for a large number of tents to be distributed about the country for use as emergency shelters. These are just a few of the things involved in measures to protect the civilian population of this country. I should like to be informed by this government as to what has been done along these lines, and what is planned. A workable set-up will take a long time to produce, and now is the time to be getting at it.

Mr. T. J. Bentley (Swift Current): Mr. Speaker, at the outset I should like to follow the example of other speakers and congratulate the mover (Mr. Brown) and the seconder (Mr. Demers) on the excellence of their speeches in moving the address in reply to the speech from the throne. If I may, I should like to congratulate the leader of the opposition on his speech on that occasion and to say how much I enjoyed it. How gratifying it is to us in this corner to know the stand he has taken every time he has risen to his feet in the house. He is an excellent debater; we all have to admit that. He has a most marvellous memory; we have to admit that. He knows history so well that his memory gives him a splendid advantage, for he knows exactly what to leave out as well as what to put in. His regard for the truth is expansive and generous. He has a great avidity for power, but it will be a sad day for the people of Canada, especially in my part of Canada, if by some unfortunate circumstance he ever achieves the position of Prime Minister of this country.

Mr. Ross (Souris): Too bad you won't be here with him.

Mr. Bentley: My hon. friends have changed directions so often, Mr. Speaker, that one can almost believe they are different one time from another. No matter how much they change, however, they remain the same. They always expose their hole card in the finish, and it is usually a deuce.

Mr. Smith (Calgary West): This time deuces are wild.

Mr. Bentley: These deuces are always wild, and they never really amount to anything if you play the game according to Hoyle. It is only in a game where you make up the rules as you go along that they count.

Mr. Smith (Calgary West): Do you want to take that game on some time?

Mr. Bentley: We have it on right now, and we will be prepared to meet you gentlemen on any kind of ground you want, any time you tell us the day.

The Minister of Agriculture (Mr. Gardiner) also entered the debate and proceeded to chastise the leader of the opposition. Many of the things I have said about the leader of the opposition could very well be applied to the Minister of Agriculture. His memory

is equally good; his regard for the truth is equal, and his ability to remember what to leave out is equal, to that of the leader of the opposition.

Away back in 1935, after the Tory government had been in power for five years, under pressure from the people of western Canada they came to the conclusion it would be better to do some of these things the western people were asking them to do. At that time, the government introduced the wheat board. The Liberals were the official opposition and opposed some of the most important features of the wheat board brought forward by the then Minister of Agriculture, Mr. Weir, who unfortunately came to an untimely death. He was a man highly regarded in western Canada.

We move along to the present and we find the positions reversed. The Liberals are in power and they are doing certain things through the wheat board. The opposition now comes from the Progressive Conservative party. Both of these parties have changed their views according to whether they were over there or over here on this side of the house.

An hon. Member: With which position do you agree?

Mr. Bentley: We will let you know before the session is over with which one we agree. At the present time, I am dealing with the manner in which these two parties can change direction when it suits political expediency to do so.

Mr. Fraser: You are waiting to see which way the wind blows.

Mr. Bentley: No, I am not waiting for anything. I was indicating the inconsistency of the Progressive Conservative party. I usually refer to them as "Tories", but I understand they object to that, so that is another way in which they have changed. They have changed their name without any fundamental change of party policy.

Back in 1944, they were extremely loyal people, the Progressive Conservatives. They were extremely incensed by speeches made by a member of the Bloc Populaire, Jacques Sauriol. I do not know whether I have pronounced the name properly but I shall spell it if necessary. If one were to look at pages 5118-19, 5233, 5245, 5443-44 and 5514-16 of *Hansard* one would find—

Mr. Mitchell: Of what year?

Mr. Bentley: In 1944.

An hon. Member: Telephone numbers?

[Mr. Bentley.]

Mr. Bentley: You do not need them. You are presumed to have eyes and your statements are there. The late R. B. Hanson, then Conservative leader in the commons, demanded the internment of Mr. Sauriol. The member for Lake Centre (Mr. Diefenbaker) and the member for Peel (Mr. Graydon) took the same stand at that time. Yet this same man, whom they were condemning in 1944 for having said the English soldier was the rottenest in the world, is being folded to the bosom of these Tories down in the Nicolet-Yamaska constituency.

Mr. Graydon: Sour grapes.

Mr. Bentley: No, it is not sour grapes. At no time has anyone in this party sought the support of anyone who showed disloyalty to this country.

Mr. Ross (Souris): What about some of the 1939 speeches of your party—no men overseas.

Mr. Graydon: Helping the government again; your allies.

The Acting Speaker (Mr. Golding): Order. I would ask hon. members not to interrupt the member who has the floor.

Mr. Bentley: I do not mind when the wits, the near wits, or the other kind of wits get going. Let them have fun. I just wanted to remind my hon. friends opposite who jeer, and my other friends over on this side of the house, that they are much the same.

Mr. Cruickshank: Oh, no.

Mr. Bentley: We are not at all misled by these sham battles. The Progressive Conservatives and the Liberals believe in the same things. They believe in the right of the mightiest to be the victor. They believe that to the victor belong the spoils. There are no fundamental differences between the two parties. I would make an exception of one or two members of the Liberal party who, in my opinion, do not have that philosophy. But the administration of the affairs of this country under the Liberals has indicated that they have the same basic philosophy as have the members of the Progressive Conservative party.

Some hon. Members: No, no.

An hon. Member: Where have you been?

Mr. Bentley: And when they try to tell us that the C.C.F. is giving its support to one party or the other, they are wrong.

Some hon. Members: Oh, no.

Mr. Graydon: Just the other party.

Mr. Bentley: It so happens that occasionally we find it necessary to make up our minds whether something is good or bad; and since I have been in this house, slightly better legislation has been proposed from the government benches than we would have had from the Tories if they had been in power. But any time my hon. friends of the Progressive Conservative party can get up in this House of Commons and offer something constructive—

Mr. Stewart (Winnipeg North): Do not ask for the impossible.

Mr. Bentley: —and not something ethereal, as the leader of the opposition does when he gets up and talks about his great desire for provincial rights, I shall be glad of it. In fact, in his speech the other night the leader of the opposition spent half of his time telling the government and the country how they should apply the iron heel to all the subversive elements. The remainder of it he spent in telling us that we should not apply the iron heel to anybody else in the country or apply any kind of control, or even have a federal government. I do not think the Progressive Conservatives know what they want any more than do the Liberals.

I will give you, Mr. Speaker, another illustration of the same kind of thing. All during the debate on Newfoundland we found that our friends the Progressive Conservatives were determined that the government should submit the matter to the provinces for consultation. What they intended to do after they consulted, I do not know. It is like consulting the boss for a raise in wages; and if he says no, you do not get it. Or it is like making love to a young lady; if she says no, it is all over.

Mr. McCann: Sometimes.

Mr. Bentley: They want the government to consult the provinces about that matter because they are so greatly concerned about the rights of provincial governments.

Mr. Smith (Calgary West): The hon. member had better consult St. Paul.

Mr. Bentley: My hon. friends opposite, the Liberals, do not want to consult the provinces on this matter, because this was one occasion on which they wanted to have their own way without consultation of the provinces. But last year about this time when the government, through the Minister of Trade and Commerce (Mr. Howe), introduced bill No. 135, to amend the Wheat Board Act, which measure would have the effect of bringing oats and barley, or oats or barley, under the operations of the wheat board, they wanted to consult the provinces about their own legislation because they did not have what it took to put it into operation without that consultation.

I wish to say a little more about that matter, Mr. Speaker. On several occasions I have asked the present Minister of Justice to tell us the difference between Premier Garson of Manitoba and the law officers of the crown down here. He finally answered me by saying what is recorded in *Hansard*. I asked him if he intended to give a ruling now, as Minister of Justice, as to legislation passed when he was premier of the province. The minister replied in this way, as reported in *Hansard* of February 21 of this year, at page 723:

> The minister has not been asked for a ruling as to the need for provincial legislation to make effective the amendments to the wheat board act passed at the last session of parliament.

Technically he is correct. Being a lawyer and a politician, he could not possibly overlook, I suppose, a little technicality and come out with an honest answer. But here is a letter that he wrote. While I admit the question is technically incorrect, the purpose of the question was there, and the minister knew it. On March 16, 1948, Premier Garson wrote a letter to Right Hon. C. D. Howe, Minister of Trade and Commerce, Ottawa, which reads in part as follows:

> We would like to have a copy of the legal opinion upon which you base your view that provincial legislation complementary to your own is necessary. If the present dominion legislation controlling interprovincial and export trade in wheat be valid without complementary provincial legislation we find some difficulty in understanding why legislation controlling interprovincial and export trade in oats and barley and providing also for control of local marketing as ancillary to control of interprovincial and export trade, should not also be valid. We would like you to assure us that in passing complementary legislation we would not be invoking the provincial jurisdiction unnecessarily.

Why could he not have given me the answer to the question he asked of the Minister of Trade and Commerce, referring the Minister of Trade and Commerce to a legal opinion from the law officers of the Department of Justice? Yet when I asked him a simple question, he dodged the issue by saying that the question was never asked. I think the Minister of Justice should be a little bit more just when he is replying to questions from this side of the house, when we are seeking information.

Mr. Garson: On a question of privilege, Mr. Speaker, I should like to say this. In view of the length of time that my hon. friend has been in the house, I am sure he must be well aware of the practice that the Department of Justice produces opinions only when it is asked for them by other departments. If

it is not asked, it does not produce the opinions. That is all the answer that question needs.

Mr. Bentley: It is precisely the same answer as I received before.

Mr. Burton: And just about as intelligent a one as we can expect.

Mr. Bentley: I come to another little quotation. I wish the Minister of Trade and Commerce were in his seat, because these are words he used in conversation with a group of people who were greatly interested in this matter. He said:

> I don't care whether we have the power to do this or not. I want to know through the legislatures whether all the farmers in western Canada are behind this.

I agree with the present Minister of Justice, that when he was Premier Garson of Manitoba he was correct that there was no occasion for any provincial enabling legislation, or whatever it is called. I refer to legislation that is supposed to be concurrent; I believe there is a particular word for it.

An hon. Member: Ancillary.

Mr. Bentley: "Ancillary" may be the word. I believe, as he did at that time, and I think he still believes it, that it was not necessary, because there is the proof. They did not have the courage to put into effect the very bill for an amendment to the wheat board act that they brought in then, they have not had the courage to do so since, and there is no indication that they intend to do it in the near future.

In the speech from the throne the first sentence reads:

> The first concern of government in world affairs is to ensure peace and security.

Those words indicate that the government have a sense of responsibility and a conscience. If that assumption is correct, I want to ask them if they honestly think they have done all they might have done to make the people of Canada feel peaceful and secure. Surely peace and security, like charity, should begin at home. Yet we have the farmers in a state of unrest. They do not know what their marketing conditions are to be. The government we have today have been utterly incapable of finding a way around this money block that is in the way of our trade policies. Lately they have had to rely entirely on money from ECA, and nobody has any assurance that it will continue to be forthcoming; and if it is not forthcoming what are we to do with wheat? How are we to sell our surplus wheat and other farm products and get something in return that we can use in our stores and other businesses to provide for us in Canada? As the Minister of Agriculture (Mr. Gardiner) is aware—he told us so when he spoke to the Canadian chamber of commerce early in the winter—the government know that they have not been capable of devising a way of arranging some kind of trade agreements. I know we have depended on ECA. I think that was wrong. Certainly they have left the agricultural people of this country in a very uncertain condition.

The workers are not feeling secure. They do not know what is going to happen. I know there was a big backlog of public works. When I came down here in 1945 we were told that that was going to take care of all contingencies that might arise. When unemployment appeared the government were going to take out their little blueprint, a road was to be built here, a public building there, and they were going to take up the slack. They have not done that, and the slack is showing up more and more all the time. There are a number of people unemployed not only in Vancouver, where they went to enjoy the pleasant weather, but right here in Ottawa. Today's press tells us how many there are drawing unemployment insurance in the city of Ottawa, and it also tells us how glad the city administration is because it does not have them on relief. They are very glad of unemployment insurance, but if they are drawing unemployment insurance they are unemployed and they are worried because some day the unemployment insurance will come to an end. Yet nothing has been hauled out of the pigeonhole by the Minister of Reconstruction and Supply (Mr. Winters), by the government, or by any department to take care of those people when their unemployment insurance has run out.

These workers are not feeling secure, and are not feeling at peace by a long way. The smaller businessmen throughout the villages and small towns of this country are not feeling peaceful and secure. They have their shelves stocked with high-priced goods which they are committed to pay for, if they have not already paid. They do not know whether they are going to be able to sell these goods at prices which will give them the necessary margin to keep their businesses going and give them something for the management and operation of their businesses and their investment. They are not feeling a bit good at the present time. They are feeling very insecure and very unpeaceful in our Canadian economy.

The veteran is not feeling very good, Mr. Speaker. Many, many veterans are worried and are feeling insecure at the present time, and this for various reasons. For instance, some of them have had to struggle very hard, and they have managed to get some kind of a domicile in the days when prices are high,

as they have been these last few years. They have managed to purchase their homes, or most of them have got them on time. Now they are wondering what will happen if there is deflation, or if a depression sets in. They are wondering how much of the investment they have in those houses is actually going to belong to them if a depression or a recession comes along. They are not feeling a bit secure. As a matter of fact they are feeling insecure. Many others have not got homes, and some of them are living in houses built by the Central Mortgage and Housing Corporation. I stayed in one of these houses with a young veteran and his family this winter, Mr. Speaker.

Mr. Johnston: Did the roof fall in on you?

Mr. Bentley: No, it did not. It is an ice house in the winter, but I am convinced it will be a flytrap in the summer. There is only one difference between these houses and a tent. On a windy day the tent walls will move a bit more than the walls of these houses.

Mr. Johnston: And the mortgage plaster.

Mr. Bentley: Yes, and a variety of other things; and yet the price of these houses is above what used to be the price for a pretty reasonable and well built house in this country. If Central Mortgage and Housing Corporation, their contractors and the administrators down here cannot find a way of doing a better job than that, they should get some more experts or get a bunch of old farmers or working people to give some real expert opinion on how the job should be done.

The old soldier settlers are not feeling very secure. For a number of years the hon. member for Battle River (Mr. Fair) has been endeavouring to have the old soldier settlers granted free title to their lands. He has been supported by this group continuously and consistently, both in the house and when we had an opportunity on the veterans affairs committee, which used to sit here before the government decided not to call it together again. During these years it was always refused. The government knew that they had to give way, and they did give way, but they gave way in a manner of which they should not be proud. What are they doing today, Mr. Speaker? Instead of being generous, instead of saying to the public, "we are going to give a free title", they are going out there with their agents, with their travelers, and calling on the old soldier settlers and saying: "Now, look, Mr. or Mrs."—if she happens to be the widow of a veteran soldier settler—"how much would you be able to give in cash right now and get a free title?" They are taking the last nickel that the soldier settler finds he is able to dig out of his pocket. That is not something of which the government should be proud. The government should have been more generous than that. It will cost them as much, or nearly as much, to get what they are going to get and then grant a free title on the individual basis, by that chiselling method, as it would have cost to wipe the whole thing off and give these people what they should have had at this time. But no; even though it will cost more they would rather do it in this way because they have not the courage to stand up and say, "We were wrong".

The chairman of the veterans committee was wrong in 1945 and in 1946. When he was chairman of the committee, Mr. Tucker opposed this, and the government did not want to do it. They opposed it in the house, and they have not the courage to stand up and say, "We were wrong; we should have done it at that time, but we will do the best we can now; we will make amends and give them free title at this time." They go out and try to square themselves by this petty little chiselling method that they are using at the present time.

Who is feeling happy and secure? Not the consumers of the country; they are not happy. They are not happy out in our part of the country, where they cannot buy the things that they would like to have because of the restriction on civilian goods coming from the United States. I know that restrictions have been lifted a little recently, but there are still many goods that you cannot get, which you would like to have, and which they would like to have, Mr. Speaker. Yet they see trainloads of military equipment coming up there. Surely to goodness, at this stage of the game, there should be some evening up. There should not be trainloads of military equipment moving in here while at the same time there are restrictions on necessary civilian goods. Certainly that military equipment does not make them feel secure, and not being able to get the things that they want does not make them feel that they are secure or even comfortable in their lives.

When I mention these things I mean that our people are not feeling secure or peaceful today; yet in His Excellency's words, which I presume were handed to him by his advisers, we find this:

> The first concern of government in world affairs is to ensure peace and security.

If we are to have peace and security in world affairs we must have some demonstration that our government knows how to produce something along that line at home.

The next paragraph in the speech from the throne, which struck me as a rather unfortunate statement, reads as follows:

> Employment is at higher levels than ever before. In striking contrast with communist countries, the free economy of our country is demonstrating its ability to provide for all a high standard of living, social justice and individual freedom.

That is a pretty cheap comparison, Mr. Speaker. We have not had a shooting revolution in Canada for a hundred years. We live in the garden of Eden, not because of our own ability but because we were lucky enough to be born here or because some of our forefathers had the good fortune to come here. We have everything that a people can require; whereas those people in the communist countries have never had a free economy. They have had anything but freedom, and they do not rejoice in the riches and the natural resources that we have. Every one of these countries has been war-torn and battle-torn in the last few years, and yet the government has the effrontery to compare us with them. If we were not immeasurably better off than they are we should be highly ashamed of the way in which we have managed the riches that Canada has made available to us. If it is right to make a comparison of that kind, why not compare us with non-communist countries such as South Africa, and South America, or India, or European countries which are not communist. Are we not better off than all of them? And should we not be thankful we had no shooting war here? Should we not be thankful that, bad as it was, when we lost many of our young men from this country by death, and when others were disabled, there were not more of our civilian population hurt. Should we not be thankful, instead of bragging about it?

There is only one comparison we have a right to make in this country, and that is the comparison between what we are able to do and what we do. We are not doing all we are able to do in this country to make our own people more secure. It is stated in the speech from the throne that employment is at a higher level than ever before. That is correct. I believe it is at a higher level, generally speaking, with the exception perhaps of the most important war years. I am not quarreling with that statement. But that is poor comfort to the fellows who are not employed.

There should not be any unemployment in this country. Jobs should be going begging —and well-paid jobs, at that. There is plenty to do. There is an endless amount of work. There should never be any unemployment in Canada, in the foreseeable future, with the amount of work necessary to be done here to develop our public and private enterprise.

There is no excuse for any unemployment in this country on the part of anyone who wants to work. I am not concerned about the fellow who does not want to work. I am like a great many other people; if anyone does not wish to earn a living, then I am not much concerned about him. He can go from door to door, or can live in a jungle, if he wishes. But for those willing to work and who cannot get a job, that is not good enough. We should not have any bragging. We should brag only when we can say that there is no unemployment, and not likely to be any unemployment in the foreseeable future.

Mr. Cruickshank: We have to look out for Saskatchewan, you know.

Mr. Bentley: No; you do not have to look out for Saskatchewan, at all. We keep them pretty busy out there. In Saskatchewan the only unemployment we have of any kind is among those engaged in types of business or trade wherein the products of the factories are shipped to the export market; and those products are not allowed to be shipped because of the type of exchange we must receive for them. For that reason about 200 people were laid off in a co-operative horse-packing plant in my city of Swift Current.

Why was that? Simply because the ECA funds have run out. Our horse meat was being purchased with American dollars. The people in the areas they administered were not able to buy the horse meat. No other country has Canadian dollars with which to buy it, and the result is that we have unemployment there. It is not because of anything the Saskatchewan government has done, but because of things the government of Ottawa has not done in the way of trade relations and monetary arrangements to make it possible.

Mr. Cruickshank: Blame the horse meat on George Drew.

Mr. Bentley: Even though we have high employment in the country at the present time, according to the words last year of the Minister of Finance (Mr. Abbott), who is not in his seat tonight, half the earning people in this country do not pay income tax. It is not good enough to say that we have high employment. How much are employees getting for their labour? How much is being paid in wages? If they are not getting enough to come within the income tax brackets—low as the exemptions are—then certainly there is not much to brag about in that type of employment.

The only difference between some of those fellows and the unemployed of the thirties is

that in the thirties they were the idle poor, while today they are the very busy poor. But, as for being able to buy the amenities of life and the good things which we in this country should be able to buy, they are just as unable to buy them today as they were in those days. In the matter of employment I would urge upon the government that much should be done to correct that situation.

I believe that a good deal of this could have been avoided. In 1945 this group, supported by some others—and I shall not mention them all—at this end of the house, tried to get the government to see that the wartime controls they had brought into effect during the bitter days of war should be retained. They said they were wise, and that they had the wisdom to relax those controls, gradually. The then minister of finance, Mr. Ilsley, said in the house at the time, "We will release these controls in such an orderly manner that we never will repeat the inflation that we had after world war I".

But the wisdom was not there. We had higher inflation than at any time after world war I, because of the decontrol methods used by the present government. I know some will say that foresight is better than hindsight, or give some other excuse, but I am convinced that if our advice had been taken we would not have found the uneasiness and unrest which one finds throughout the country at the present time.

I know my hon. friends of the Progressive Conservative party, and many in the Liberal party, will say that if those controls had been kept on there would not have been production. But there was production in wartime. You do not have to promise a farmer an inflated price for his goods. All you have to promise is a square deal, and he will produce to the limit of his ability.

I believe the coal miners and the other industrial workers would do the same thing, as would many industrial plants—not the monopolies, of course. Probably they would want nothing but profit. But I believe there are many conscientious private enterprisers in this country, owning small production plants, who would have responded to an appeal of that kind. As long as they were allowed their standard profits, they would have continued to produce to the extent of their ability, both individually and in their plants, despite the retention of the excess profits tax, the subsidies, and price controls —if they had known how important it was to retain them.

We tried to tell the House of Commons and the country how important it was to do that; but our suggestion was not followed. Today the government has this difficulty on its hands. The Prime Minister (Mr. St. Laurent) stood up one day and made a boastful speech about the high national level of income. I believe he said it was $15,500 million. But in reading a statement made by the governor of the industrial bank I find he says that the higher income is not attributable to the greater production of physical goods, but rather to the increased price of the physical goods produced. He points out there is very little difference in the over-all unit production of physical goods in this country.

So that, if the national income is higher than ever before, all one has to do is to take the biggest year and double it, giving $31 billion as a national income, and double that again—make it any figure you like.

Someone said this afternoon—and I thought it was a wise statement—that the things which make up national income are the goods produced and distributed among the people. There is no use saying that our national income is a great income if it has not found its way into the production of consumer goods, and other things needed by the people of Canada. And that has not happened, despite the so-called high income of the last year.

The government are now beginning to see their mistake. We wanted them to extend the subsidies on steel, coal and all the rest of it in those years. They did not do it. Now they are going to do it. But how? They are going to lend money to any steel company, dollar for dollar. If a steel company will put up a dollar, the government will put up another dollar, and they will expand in that way. If that turns out all right, and if the industry is prosperous, then the owners of the industry make bigger profits than ever before, to be placed in the hands of a few people. But if it is not prosperous, what happens?

Well, one of two things would happen. The government would give them the right to wipe off a good deal of their capital cost, which would include some of the government's investment, and charge it against the public treasury of this country. Or, on the other hand, they might say to them, "Go bankrupt; we will take you over and wipe this out ourselves. We will guarantee your bondholders for every cent of their interest in the bonded investment, as we have in connection with the Canadian National Railways."

But we should not go about it in that way. The steel business of this country and other national resources are too big to be left in the hands of private people who have no responsibility to the House of Commons or to the people generally. They should be kept in the hands of people who, if they did

not administer them properly, could be changed by popular election at some time in the near future.

I want to mention the Marshall plan and ERP. We welcomed that when it was first announced because we thought it was a grand thing that the plentiful supply of goods on the North American continent should be made available in some form or other to our war-torn brothers and sisters across the seas. We expected great things would come from that, but they have not happened although we hope they will.

Canada has depended to too great an extent for her prosperity upon ERP and ECA moneys from the United States. We are big enough to have an ERP and ECA program of our own. There is no earthly reason why we could not have developed some plan to help those countries that needed help and then in ten, fifteen or twenty years take back from them the goods that we wanted. But we did not do it. Why? One reason was that the experts in the government apparently could not devise a way to do it. The second reason was that we did not dare to say to those people: When you can make enough jack-knives, motorcars, radios and so on, we will take them.

They were afraid of those people in this country who have enjoyed such tremendous protection that they now consider that what was granted as a privilege in the baby days of their industries is now a right that they should be permitted to enjoy for ever.

I see, Mr. Speaker, that you are getting ready to call me to order and I shall not strain your patience one bit. I do not see why we could not adopt the same principle that we adopted during the war, because this country is facing problems just as serious if not so acute as those faced during the war. During the war we drained off the surplus spending power of the people in order to prevent inflation and to prevent people from buying those things which were not available. That was done by means of tremendous publicity campaigns which let the people know that they were doing a patriotic duty and which told them why it was necessary for the welfare of Canada. The people responded and they invested their money.

The same thing could be done today by any government that had the courage to put on the same kind of campaign. Money could be raised to provide an ERP program of our own. I will not impose upon your patience any further, but I shall have more to say on the Progressive Conservative amendment and the main motion.

Mr. J. M. Dechene (Athabaska): Mr. Speaker, I appear on the scene in the role of a replacement and therefore I shall throw myself on the generosity of hon. members, of which I have so often taken advantage. The majority of hon. members know that only recently I escaped from the scalpel of the surgeon and the drugs of the physician. When the opportunity presented itself for me to address this august assembly this evening, I did so because I felt that perhaps I had a message to convey to the members of parliament and through them to the people of Canada. This House of Commons is considered to be the forum of the people. No matter whether we have a great deal of ability, the message that we are able to deliver should be one of encouragement in these days when often the skies are clouded.

Before I refer to the clouds that I see upon the horizon; before I refer to the organization work which is being carried on so skilfully against what is left of the democratic peoples of this world; before I point out to the hon. members of this assembly who are here tonight, as well as to those who are present in other free parliaments, the danger of the situation until the north Atlantic security pact has been concluded; before I refer to the activities of the leader of communism in France, Thorez; before I refer to the activities of the communist leader in Italy, Togliatti; or to the activities of the communist leader in Great Britain, Pollitt; before I refer to the activities that have been carried on to create distrust of those who are still endeavouring to ensure peace and security for the Canadian people, I should like to discuss one other matter.

As I said, I consider that this is the forum of the people. I am going to ask the members of this house to listen to something of a local nature, something in the nature of an action d'éclat that happened in my own country but which unfortunately you will not find set out in the columns of the great metropolitan newspapers although it was referred to in the local press of the constituency of Athabaska.

Quite often over the radio and in the press we hear and read of great rescues that have been performed by airmen flying into the far north to bring out someone who is sick or to perform some other great task. We are used to that sort of thing in Athabaska and Edmonton. I think I can say without fear of contradiction that since the first days of aviation in the far north the people of Edmonton and the constituency which I represent were the first to organize expeditions of this character.

I remember years ago when Gorman and May of Edmonton, who originally came from Athabaska, flew members of the R.C.M.P. in a plane, an old flying box car, to the shores of

the Arctic ocean to capture a mad trapper who had murdered many people. No flier or aviator of today would dare to do what I am about to relate: The incident I should like to relate has to do with George Rault and another young returned man, Georges Ouimet, of Bonnyville, Alberta. These two men left by plane to look over the country north of Cold Lake where some fishing company was prepared to carry out fishing operations. They were considering the possibility of carrying the fish by airplane to the railhead. For some reason or other something happened to the airplane they were flying and they had to crash-land it some seventy-five miles away from the nearest hamlet or habitation, in country that is as rough as anything outside the Rocky mountains. Fortunately Rault, who was flying the machine, was able to pick out a place where the trees were not too thick and he managed to land. He was unfortunate enough to break his leg and a couple of ribs, while young Ouimet suffered a broken arm.

They had no food. Ouimet fixed up his partner as comfortably as he could, considering his broken leg and broken ribs, and built a little fire so well that when they got back six days later there were still some embers burning. He covered him with part of the wings and other things that he found in the bush in order to give him some shelter from the below-zero weather. He then started out to walk the seventy-five miles to Cold Lake to get help, and he did walk that seventy-five miles through the roughest kind of country. It was a long walk, over fallen timbers, up hill and down. He walked all the way to Cold Lake, which took him about 30 hours, and then he did not get treated until he reported to the police in my home town, Bonnyville, telling about the accident and asking for succour for his companion lying wounded out there in the bush.

I want also to pay tribute to those two constables of the mounted police who organized the rescue. I wrote to the Minister of Justice in regard to them, because they set to work at once to gather some men together, obtain what they thought would be necessary and start out to the rescue. By that time the arm of this young man Ouimet had been treated at the hospital, he had been given some food, and he was ready to go back to show them the trail as far as he could, which was about thirty miles. They took with them an old Indian named Piché, an old friend of mine; he has no vote but still is a friend of mine, and is one of the best trackers I ever knew. In the meantime five inches of snow had fallen. I hope those listening to me have some imagination, and can visualize what that meant. In that country there were no habitations whatever; no trappers; nothing. Young Ouimet took them for twenty-five or thirty miles, until the trail ended. Everything was covered with snow, but Piché the tracker did a wonderful job, an incredible job, and picked up the trail. He found it and they followed it until they came upon the wounded man, forty miles into that bush. He was still alive and still cheerful. He had had nothing to eat or drink, yet he had a smile for his rescuers when they reached him. I do not know what kind of conveyance the mounted police constables and the men with them had, but they brought this young man all the way back without causing him any extra suffering at all; and after many hours of painful and laborious effort they got him to the hospital. Both these young men are alive and well today.

I mention this incident in this house, where so often we hear stories of despair and discouragement, as a lesson to the younger people of this country. I believe there is plenty of courage left in Canada. I believe there are plenty of real he-men in this country, and many of them in the constituency of Athabaska. I thought those concerned in this matter were entitled to this tribute, which would be spread across Canada if my voice could carry beyond the walls of this chamber.

Now, Mr. Speaker, I would not like to tell this house how old I am getting to be, but the other day I was reminding myself that it is forty-eight years since I undertook my first political activities in northern Alberta. At that time there was only one seat for the whole province, except the extreme eastern portion which formed part of Saskatchewan and Assiniboia. I worked on behalf of Hon. Frank Oliver, at that time just old Frank Oliver, a man who had gone to Edmonton and on to our country from Winnipeg in a Red River cart; and I was working for one of the greatest leaders this country has ever seen or heard of, Sir Wilfrid Laurier. After he passed from the scene, leaving memories which will be ever fresh in the hearts of the Canadian people, another great man came upon the scene. He is still with us, and I hope will be with us for a long time yet. I refer to his successor, the Right Hon. William Lyon Mackenzie King. I was proud to continue to serve humbly and to the best of my ability in the ranks of the Liberal party under his leadership. Then last summer this party, in a great convention, again chose a leader, and again chose a son of the old province of Quebec, to which my ancestors came in 1632. I do not say that to brag, but I really do belong in Canada. Now I am prouder than

ever that God has spared me enough strength to continue to serve; and I hope to be able to fight with him and for him when the next election is called, when I am sure he will win. I believe the right hon. the Prime Minister (Mr. St. Laurent) already has proved himself worthy of a place beside the other two great leaders who have preceded him.

I have said something, sir, about political history. Well, I have just heard a fine address by a fluent speaker. At one time I thought he would be sure to admit, in spite of all the faults he had to find with this government, that they have done pretty well for the farmers of western Canada. I have in mind the cheques that are going out in a few weeks for over $200 million, made possible by wise administration of the wheat grown by the farmers of the west. I am reminded of a little story from my days in the Alberta legislature, away back in the years when the Bennett buggy became prominent. Perhaps you know what a Bennett buggy was, Mr. Speaker; and I do not want to ever go back to that situation and have a Drew buggy or any other kind of buggy. Many farmers could not afford to run their cars; they had no money with which to buy gasoline. So they took the body off the axles, put a box on top and hitched the old horses to it. Then they had a nice light rig to get around in, and that is what they called a Bennett buggy. I remember sitting in the Alberta legislature and doing my best, with all the other members there, to find some remedy for the terrible conditions which existed in Alberta and throughout western Canada. At one time in my own town wheat went down to 19 cents a bushel for No. 2 northern. Farmers brought hogs from fifteen or twenty miles in the country and sold them for $1.75 a hundred.

I am speaking of wheat, however; and I was discussing that matter with a friend of mine. We were both much younger then than we are now, and we still had confidence that something would happen, that a Liberal government would come back into office and remedy the situation. We were always talking about wheat. Here in this house I often hear my hon. friends from Quebec, Ontario and the maritimes say they are a little fed up with all this talk about wheat, and they ask if we cannot ever talk about anything else. When I was talking with this friend of mine in Alberta we decided to tell the people what the wheat actually was that created all this talk, and I hope I can remember it: "Wheat is a cereal which is grown to keep the farmer broke and the buyer crazy. It is planted in the spring, mortgaged in the summer and lost in the fall. It varies in quality according to the rain and sunshine in the season; and the man who can best guess its quality is called a grain grader by the trade and a damned fool by the farmers." This reminds me of the story of the big wheat firm down east, of which the hon. member for St. Boniface (Mr. Viau) was speaking this afternoon, which sent a man out west in August to study the situation. You know, in the old days they used to do that; the *Free Press* and all the big grain companies would send men to survey the western crop because, you see, Ontario and Quebec cashed in so heavily on our wheat, as they still do. After studying the situation this man wrote back to his firm and said: "Some say wheat will go up and some say it will go down. I believe so, too. Whatever you do is wrong, so act right away."

Well, that is all by the way, and not very serious. While I am speaking about wheat—I hope my voice does not leave me—I should like to take the opportunity to discuss another matter which has been the object of resolutions of mine for a number of years, and which was touched upon briefly by the hon. member for St. Boniface this afternoon. I refer to the Hudson Bay railroad. I am not going to make any joke about that. I have thought about it for years. In 1924, in the legislature in Edmonton I moved a resolution petitioning the federal government to make the terminus of the Hudson Bay railway, whenever completed, a free port of entry. What does that mean?

Mr. Speaker, no matter what we do or say, it is a fact that we are growing wheat in Alberta and Saskatchewan farther away from the world markets than any other nation in the world engaged in the export of wheat. The cost is tremendous. The cost of importing the heavy machinery necessary for these operations in Alberta and Saskatchewan is also tremendous. You can form new parties; you can talk socialism or social credit; you can get the people interested in trying to form a new party; but this great distance will remain and the cost of operation will remain. What is to be done?

I know that almost within the sound of my voice a tremendous amount of money is being spent for the transportation of western wheat. It is well known that hundreds of millions of dollars have been invested in the great lakes route. We know that hundreds of millions of dollars have been used in the construction of railroads to take our wheat to the seaboard during the winter. I do not want to ruin these enterprises. We now know we cannot talk free trade. During the years that we talked about free trade we did not know that some nations in Europe would disrupt the whole world with two costly and terrifying wars, thus making it impossible for any government in the free world to rely on the

ideas they had. I say to you therefore, sir, for the relief of the western importer and exporter, do not interfere with these interests. There is so much at stake that they should be left alone.

I am not one of those westerners who feel or express any antagonism towards the eastern people. This is Canada. If I may divert my thoughts for a moment, I should like to say that I have always preached that you may have two-dollar wheat; you may have cattle selling for $300 a head; you may have $40 hogs and you may have eighty cents a pound butter, but you will not have lasting prosperity until you have union based on understanding between all the parts of this vast country.

To any man who is not prejudiced and who is willing to listen, I wish to say that the Hudson Bay railroad is there. The feasibility of navigation in the great Hudson bay during many months of the year has been proven. This is particularly true since the invention of radar, which enables the detection of icebergs and other impediments to navigation. The port of Churchill is hundreds of miles closer to the European market than the Atlantic seaboard is. This brings the western farmer eight or nine hundred miles closer to the markets of the world. This cool northern route would enable our cattle to reach the old country in first-class shape. It is a much cheaper route by which to ship. I say, sir, that the insurance rates have been kept up by the vested interests at Port Arthur and Fort William. This government could very easily see to it that the rates on shipping via the Hudson bay route would be fair rates to compete with this other route. A hundred million bushels of wheat could be exported to Europe, and goods which the farmers of western Canada need could be brought back from Britain through this free port of which I have spoken.

Mr. Wylie: Shame on the Liberals!

Mr. Dechene: If my hon. friend wants me to tell him something, Mr. Speaker, let him interrupt just once more and I shall tell him a story he will remember for a while. I am too serious at the moment to allow any interruptions. Of course, Social Crediters have become a part of the Tory party. We know that now, and you cannot deny it any longer. These men have become what Arthur Meighen would have described as the dilapidated annex of the Tory party.

Mr. Wylie: I would sooner have that than communists, anyway.

Mr. Dechene: I may tell my friend that now he is known as a Tory he will not receive nearly as many votes in Alberta as he received when he was running under false pretences and hiding his colours until they apparently became more popular.

I was speaking in a serious vein because I have lived in Alberta for over half a century, nearly sixty years. I know what the trouble is. I understand that there is no philosophy, there is no preaching, that will reduce the distance between the Alberta farmer and the markets of the world unless we can use that shorter route through Churchill. We should also be allowed to import into our great western plain the things we need from Great Britain, France and the other countries, through the port of Churchill without paying tribute to anybody. This would make the economy of western Canada strong without the necessity of asking for aid from the people in the rest of Canada.

Mr. Wylie: Change the Liberal government.

Mr. Dechene: Mr. Speaker, I have sat here during the last month listening patiently to some of the rottenest things I have ever heard in my life, to some of the most absurd speeches to which any man of my age could be compelled to listen. I never interrupted anyone. May I ask for a hearing, Mr. Speaker, since I am speaking only sparingly and I am trying to speak on behalf of the people who sent me here.

Mr. Wylie: On a question of privilege, Mr. Speaker, I have sat here longer than anyone in this end of the house, and I have heard the hon. member interrupt more than I have.

The Acting Speaker (Mr. Golding): Order.

Mr. Dechene: I have something more to say, and I do not want to be interrupted.

Mr. Wylie: I hope you have; you have not said anything yet.

Mr. Dechene: Mr. Speaker, I think I have some time remaining and I hope to be allowed—

Mr. Wylie: You only think.

Mr. Dechene: I hope the members of this house who do not understand the French language will bear with me while I address my compatriots in that tongue I love so well.

(Translation):

Through you, Mr. Speaker, I wish to tell Quebec members how happy I have been to make their acquaintance and to have enjoyed both their friendship and support for the past ten years I have had the pleasure of sitting in the house.

I noticed with delight, particularly in 1945, how many talented and promising young men joined the Liberal ranks to help their fellow citizens to continue representing old Quebec in the house. May I, in turn, speak a word of friendship and good will and ask them to

remember, on occasion—they who represent a majority in their venerable province—that where I come from, we are a minority community that will not despair and often needs their help. That is why we hope that, gradually, they will give us even more assistance than they have kindly done in the past and send us their surplus population who wish to leave their great province to strengthen the ranks of their own folk in Alberta and Saskatchewan where French Canadians will not say die.

(Text):

I show you, Mr. Speaker, the picture of a fine looking young fellow which appeared in the Edmonton *Journal* of March, 1924, twenty-five years ago. It is a picture of yours truly in his prime—and it was some prime, if I do say it myself—telling the people of Alberta that there was oil under their feet and asking the government to take measures to encourage that development to the extent of making grants, if necessary, to produce this wealth, greater than all the gold that may ever be found in the hills of northern Canada. Today it has been found. Leduc is producing thousands of barrels of oil, as is Redwater, which is at the boundary of Athabaska. I know we have only tapped the fringe of the great lake of oil which lies under the province of Alberta.

Mr. Hansell: It has a social credit government.

Mr. Dechene: I take pride in the developments because I was the prophet of something that actually happened, and am still alive to see my prophecy come true. I will predict something more. I will say that, as exploration is pushed farther north, right in the centre of the great constituency of Athabaska will be found the largest pool of oil. I am not speaking for political gain, Mr. Speaker. I am afraid I may be too old to offer myself again to the people.

An hon. Member: Oh, no; you are wrong.

Mr. Dechene: I wish to speak on behalf of my constituents. In those days I advocated returning the mineral rights to the owners of the surface. I demanded that our government return the ownership of the minerals to those who own the surface. Last year I mentioned this matter in this house. I know those rights now belong to the province of Alberta. I mention this because this government is doing as much as it can in that line by giving to the returned soldiers, to the veterans who have purchased land on which to settle, the rights of which the government has ownership. The Department of Veterans Affairs is now engaged in looking at those mineral rights, and those rights are to be turned over to the settlers.

What happened in Redwater the other day? Some government parcels of land, or rather mineral rights, were sold for over $5 million and the farmers of the district will not get fifty cents. They may get a bridge or a road.

Mr. Low: That is not true. I am sure the hon. member for Athabaska would want to be correct. The farmers get an adjustment when they make their appeal to the arbitration board.

Mr. Dechene: We are not talking about the same thing at all, Mr. Speaker. I say that if the farmers had the ownership of the mineral rights, the millions of dollars which are now being paid to the Imperial Oil, Standard Oil and the other large companies would be paid to these farmers and there would be a wealthy yeomanry in Alberta. As I said before, I know that there is a great lake of oil in that north country. Almost every farmer in Athabaska would be a wealthy man within a few years.

I wanted to speak about the tar sands in the northern part of Athabaska at Fort McMurray and Waterways. I shall have to go a little bit faster, Mr. Speaker.

Mr. Hansell: There is plenty of time.

Mr. Dechene: I have often spoken in this house about these tar sands. The hon. member for Davenport (Mr. MacNicol) is in his place tonight. He saw the possibilities of these resources. Last year I told the house that the geologists from the Department of Mines and Resources two years ago had found a new field some distance from Abasand and the other places that were known before; it is some eighteen miles west of Fort McMurray, and Waterways, across the Athabaska river. The plans are here on file, and they can be seen. You can see where the pipes were sunk and discovery was made of the immense possibilities which we knew of but did not think were so valuable or easy of access. In some places were found hundreds of feet of clear bitumen, enough to pave the streets of all the cities in western Canada and also in eastern Canada, if transportation to bring it in is made cheaper. This discovery forms part of the grant by the provincial government of Alberta to some oil companies of some four million acres of land in northern Alberta, the greater portion of it in the riding of Athabaska.

I have no quarrel with this grant. But as a resident of Athabaska for all these years,

as a man who has fought to develop this oil, as a man who has fought for the return of the rights to the farmers so that they could benefit by the wealth under their feet rather than have it go to some large oil company, and keep the monopoly of oil in this country, I want to serve notice that we shall hold them to strict accountability for what happens in the tar sands. Because oil is found in the flowing wells of Leduc and Redwater, we do not want the development of these tar sands to be retarded. This development must go on because these sands constitute, as is known everywhere, the greatest reserve of oil and its by-products that is known not only in Canada but in the whole world, including Arabia or the Near East or Asia. There are billions of barrels of oil to be produced there.

It is said that this development will cost money, that it is too far away. You, Mr. Speaker, know the terrible condition which the bolshevists and communists are trying to create in the world, not only outside of Canada but inside. They are organizing right here in this service in this country at this moment. There is a campaign on everywhere to try to scare—as if we could be scared—the free nations of the west from the conclusion of the north Atlantic security pact. Do you realize, Mr. Speaker, that if this unfortunate war should ever come—and I hope it never will—the battleground will be right here in Canada? If Germany, under the kaiser or later under Hitler, had had within its boundaries such immense resources of oil, gas and by-products—this material without which you cannot be productive in peace or successful in war—do you think for one moment she would not have developed them? No, Mr. Speaker, the Germans would have been producing millions of barrels right now; and we would have had a hard time to keep their planes down if they had had that oil within their boundaries.

The reason that I took the floor tonight is this. I am not a man living in the past. While I may have referred to what happened in the past, it was just in order to give the younger people of this country an inkling of what will happen to them if they again make the mistake of changing government. I am speaking on behalf of the young men and young women of this country. There are many in my own home right now. I have raised a family. They know I would not do anything to their detriment. They will not depend on the government, they will not depend on an allowance, but they will try to create something, to produce something out of the soil of this country, out of its resources, out of this Canada to which God has been so bountiful and so generous. Do you think that our scientists will be stumped by the development of these tar sands? No. It is up to us to encourage them and to see that as soon as possible, in view of what may happen in the world, a way is discovered to develop those resources at a fair price, and that it is pressed forward as promptly as possible to ensure that, should anything happen in this troublous world, we and our allies will never be short of that motive power without which you cannot fly in the air nor run on the ground.

Before I take my seat, Mr. Speaker, I should like to express a thought to you. For some reason or other, nature did not smile on Athabaska last year. I do not know whether it was because there were too many sinners out there or too many Social Crediters. We had a poor crop, and for the first time in our history we had to take advantage of the Prairie Farm Assistance Act of the Minister of Agriculture (Mr. Gardiner). Our farmers are not discouraged—no, sir! They belong to a race of pioneers, of strong men. I can envision most of them now. I know them so well, of all political faiths. I can see them at this time. Tomorrow is the first of March. I can see them standing outside watching the sky for the first sign of the first crow or the first bird of spring. They are listening carefully to nature working on their land, the rich, strong, fertile soil of Alberta. In a few days it will break through the shroud of ice and snow which have held it prisoner for some months now. It will expose its bosom, as it were, to the glorious warmth of the sun of Alberta. Our farmers will work, sir. Their machinery and implements are all ready. I know most of them. The wheat is cleaned and the other grains are ready, cleaned and treated, and they will go on the land and plant a larger acreage than ever before.

May I, sir, in the august assembly of all the representatives of the people of Canada, of all parties assembled here to serve those people, say a prayer, that this year nature be kind to them and Providence bless their labour so that they shall have a bumper crop, a greater crop than ever before.

Before I take my seat I should like to say a word about the trans-Canada highway. I told you, sir, that I come from the Edmonton district, the city which now stands on the threshold of the greatest development which has ever taken place in this country, a city which is built over a coal field. I remember that we had to stop mining at the city limits some years ago. It is now in the middle of a sea of oil, and all the land to the far north is beckoning to settlers, beckoning to the young men and the young women of Canada to follow the tracks of those of us who now must lay off the burden that we have carried for some time. There is lots of room yet, lots of opportunity in that part of Canada; but

we must have a good highway through Edmonton, sir. I know that my friends from Calgary will possibly not agree with me, but Edmonton is the logical place for the trans-Canada highway, because it would run through the best portion of Alberta. It would touch every park in Saskatchewan and Alberta, connecting with Jasper park and with the highway on the top of the world from Jasper to Banff.

I say, sir, that the logical location for the trans-Canada highway is through the city of Edmonton and the Yellowhead pass. I hope that when the powers that be come finally to decide on the location they will decide to put the highway through Edmonton and that north country. I remember when the Canadian Pacific railway was under construction. The company made a survey in the area. I saw the survey myself when I was a boy. I saw the posts along the line drawn northwest of Edmonton, and then traveling toward the Peace river and the Pine river pass and west to the Yellowhead pass. Later they switched around and went to Calgary and the Kicking Horse pass. We were left alone without transportation for many years. I do not want that mistake to be repeated at this time, and I plead with the government to see that this trans-Canada highway goes through Edmonton and the central and northern part of Alberta.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, one of the objects of the debate on the speech from the throne is, I understand, to give private members an opportunity to place before this house some matters which they may consider of importance. I wish to take full advantage of that opportunity and to discuss measures which are at present in existence, and measures which might be introduced in order to safeguard and make safer the lives of those who find their occupation on the seas around Canada. I do not intend to engage in this subject from a controversial point of view. I know that it is not entirely a new subject because it has been hinted at in this session and in previous sessions by hon. members on both sides of the house, but I hope that by assembling the facts as I see them I shall be able to suggest some improvements in legislation as it exists today, and in the manner in which that legislation is being administered. I shall draw my examples from my own constituency, because I am familiar with the conditions and details in that part of Canada. I do not claim that the conditions existing there are any different from those which exist in any other constituency either on the Atlantic or on the Pacific coast.

I cannot speak with authority regarding the maritime provinces, which border the Atlantic ocean, but I have been informed—and I have discussed this with other hon. members—that the conditions there are, in the main, similar to those which exist on the Pacific coast. I am quite certain that the importance of this subject is enhanced by the fact that we are now taking into our family the tenth province—Newfoundland.

In order to give you some idea, Mr. Speaker, of the importance of the sea to the people who live in our coastal provinces, I might say that the constituency which I represent is approximately seventy-five miles from the most easterly point to the most westerly point, and about the same distance from the most southerly to the most northerly point; but in that whole area there is hardly a resident who is more than twenty miles from salt water.

In the north there is the port of Nanaimo through which the passengers and the trade of at least two-thirds of Vancouver island pass. During last summer no fewer than 200,000 passengers entered that port, coming from the mainland in some of the biggest steamers of the C.P.R. fleet, which made seven trips a day from Nanaimo to Vancouver and back again. Over 75,000 tons of freight were moved through that port. At the government assembly wharf there one may see freighters taking to the European markets the lumber which is cut from our forests. One would see other deep-sea ships loaded with coal going to China and other parts of the orient.

A few miles south of there you come to the important fishing and lumber towns of Ladysmith and Chemainus. Then, going down beyond that, you come to the Cowichan Bay area where you may see, at any time during the summer months, hundreds of yachts which have brought tourists and sportsmen to fish in those waters.

Farther down you come to the great Canada Cement factory. Some of the ingredients to make the cement are brought by barge from other islands, and the product is taken away by ships to all parts of the west coast of British Columbia and western United States. Still farther south one comes to Sidney, where there are ferry services running from Vancouver island to the mainland of British Columbia and to the state of Washington. Any time during the summer months one can see many hundreds of cars being loaded daily onto those ferries.

At the southern end of the constituency there is the port of Victoria, through which is served all the southern part of Vancouver island. A little farther around you come to

the great naval base of Esquimalt. Then as you proceed farther west along the northern shore of the strait of San Juan you come first of all to the quarantine station where the ships coming from the orient are detained so that the immigrants may be inspected. Still farther west you come to other fishing villages, such as Sooke and Port Renfrew. Then even beyond that there are small hamlets which the steamers cannot approach, and at which points all supplies have to be landed in Indian canoes.

Between the island of Vancouver and the mainland there is the whole archipelago of the Gulf islands. The whole domestic, industrial and social life of the residents of those islands depends entirely upon water-borne transport. It is correct to say that many and varied are the occasions by which men must go down to the sea in ships. As I said before, the conditions there are similar to the conditions elsewhere. But I wish particularly to illustrate the number and variety of occupations which require men to spend the greater part of their working hours at sea.

The volume of traffic involved is very considerable. Let us consider the fishing industry alone. In British Columbia there are some 15,000 to 20,000 men employed in the crews of our fishing vessels. Last year, I believe, the equipment used by these fishing vessels ran to something over $20 million. So far as the catch is concerned, last year our salmon pack up to October of 1948 was estimated at 1,280,000 cases. Of halibut the catch was valued at $3 million. The herring taken amounted to 38 million pounds, which was converted into meal and oil. Then, after having lapsed for a number of years, the whaling industry was revived on the Pacific coast in the past season, and a successful catch reported. Tuna fish are caught sometimes as far as 500 miles out into the Pacific, and also may be caught off the Queen Charlotte islands. Thousands of tons of that valuable fish were taken.

I wish to stress that these men who go out to catch the fish and who serve these fishing vessels, which are small craft, do so at considerable risk to their lives. The crews are small, the waters are extensive, and the opportunities for rescue are extremely limited. I feel that the people in other parts of Canada who benefit from the labours of these men should appreciate the risks they run each day. Those risks are increased if, when the catching season is over, or when the vessels must put into port even for a short time, there is not safe berthing. If during rough weather the vessels tied up in harbours, where there is not adequate protection, become damaged, it is quite obvious that when they must put to sea again there is greater danger of loss of life and equipment. Also during those periods when they have their vessels berthed in harbours the fishermen have to stay up night after night watching their ships, to see that they are not damaged, owing to the fact that insufficient protection is provided in the harbours. Therefore one of the main factors in ensuring safety of life at sea is the provision of adequate and safe berthing places in the harbours of any coast.

But of course fishing is only one of the many occupations Canadians follow on the sea. Along the Pacific coast the passenger service of coastwise vessels only—and I am not talking about the trans-Pacific vessels—carried last year something over two million persons.

Then the most important industry of British Columbia, namely that of logging and lumbering, is to a large extent dependent upon sea transport. The logs are cut high up on the mountainside, and are brought down to the sea either by rail or by truck. There they are worked into booms and tugs take them to the mills. Again the distances are frequently great. Logs cut on the Queen Charlotte islands will perhaps come down to a mill at Vancouver. Logs cut on the west coast of Vancouver island are taken great distances to mills either in Washington or in British Columbia. It will be seen that many men engaged in the logging industry spend a good deal of their time on the sea, either forming booms or operating the tugboats which take these great booms of logs to the mills. It is no exaggeration to say that thousands of men are employed on the sea and that the equipment used is valued at many millions of dollars.

I shall not weary the house by reciting the long list of marine accidents that have occurred in recent years. The number of accidents is increasing all the time. I should like to mention just a few which have occurred on the Pacific coast in the last two years. Five lives were lost from the ship *Gulf Stream*. The *Northholm* went down with a loss of fifteen lives. The *Clarksdale Victory* suffered disaster with a loss of fifty-one lives. A few weeks ago the captain of the *Passing Cloud* was drowned although the rest of his crew were saved. Just before Christmas three men on the *St. Clair* lost their lives.

I should like to direct attention to the facilities that exist for sending help to ships in distress and for sending distress signals. We have a good ship-to-shore telephone system on the Pacific coast, but it could be improved by the maintaining of a more con-

tinuous watch and by putting the land lines in better condition. In the main, the land lines are government-operated, but owing to the nature of the terrain and the limited personnel employed they are not always kept in first-class condition. I know that recommendations have been made for their improvement, but the lives of men at sea are jeopardized because an efficient and rapid system of communication is not available in all cases.

There are other means by which men at sea are helped and warnings sent. I refer to the various direction-finding stations which permit ships to get a fix on their location. The network of such stations is not yet complete. I was told by the minister responsible that it was the intention to erect two additional automatic radio beacons. These beacons automatically send out, at short intervals, signals which enable a vessel to obtain its location.

It has been recognized for some time that gaps exist in this system but for some reason or other the beacons which were to have been in place last year are not yet operating. While I understand that they are now on their way to the Pacific coast I should like to urge that no steps be left untaken in order to provide both our Pacific and our Atlantic coasts with a complete network of radio beacons so that there will be no gaps in the system. I want to stress again the necessity of providing a continuous watch so that, when a ship is in distress, word may be sent immediately to some central place.

One of the tragedies of army life is broken service.

I see, Mr. Speaker, that you are anxious to declare that it is time for the house to rise and I have reached the point where perhaps I could break off my remarks.

On motion of Mr. Pearkes the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will continue this debate.

At 10.30 p.m. the house adjourned, without question put, pursuant to the order of the house passed on February 22, 1949.

HOUSE OF COMMONS

Tuesday, March 1, 1949

The house met at three o'clock.

PRIVILEGE

STATEMENT OF MR. DREW AT MCGILL UNIVERSITY —REFERENCE TO LETTER OF JULY 11, 1942, WITH RESPECT TO HONG KONG INQUIRY

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Before the orders of the day are called, Mr. Speaker, in accordance with my undertaking of yesterday, I offer, with the consent of the house, to table the letter of July 11, 1942, to which I referred at that time.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I understand this is a lengthy letter that the hon. member wrote in 1942 to the then prime minister (Mr. Mackenzie King) about the Hong Kong inquiry. He suggests that with the consent of the house he would like to table it. So far as I am concerned that consent cannot be given, because the tabling of the letter would involve making public certain confidential communications between the government of Canada and the government of the United Kingdom. The government of the United Kingdom was asked repeatedly whether it would consent to these communications being made public. The last exchange of correspondence in that connection took place in April, 1948, and is printed on pages 3429 and 3430 of *Hansard* of that year. Since the information was communicated confidentially to the government of Canada, the government of Canada cannot permit its being made public without the consent of the government of the United Kingdom, and that consent, though requested, has been refused.

Mr. Drew: The then prime minister made it quite clear last year that at no time was there any communication—

Some hon. Members: Order.

Mr. Speaker: I would call the attention of the leader of the opposition to Beauchesne's Parliamentary Rules and Forms, third edition, page 145. Section 385 reads as follows:

> Papers are laid before the house in pursuance of
> (1) Provisions of an act of parliament;
> (2) An order of the house;
> (3) An address to the crown;
> (4) The command of the crown;
> (5) Standing orders of the house.

In view of this rule, I must refuse permission to table the document in question.

Mr. Drew: I do not intend to debate your ruling, Mr. Speaker, but may I say this: I made it quite clear that I recognized the fact that the letter could not be tabled without the consent of the house. The explanation given by the Prime Minister is entirely remote from the facts, but I do not intend to pursue that point.

Some hon. Members: Sit down.

Mr. Speaker: I would call the attention of the leader of the opposition to the fact that I have given a ruling, and he must abide by it.

Mr. Drew: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Speaker: Order.

Mr. Drew: I am not challenging your ruling, Mr. Speaker. I simply wish to make it clear that I offered the letter for tabling. It has been handed to the press for release.

Mr. Speaker: Order. The hon. member knows that the Speaker's rulings are not debatable.

Mr. Drew: That is right.

REFERENCE TO REPORT IN "GLOBE AND MAIL" OF MARCH 1

On the orders of the day:

Mr. H. O. White (Middlesex East): Mr. Speaker, I rise on a question of privilege. On page 3 of today's *Globe and Mail*, under the headline, "Ottawa briefs", I am referred to as the C.C.F. member for Middlesex East. There are some things which I pass over lightly, but this is not one of them.

FISHERIES

SUPPLY OF BAIT TO LOBSTER FISHERMEN, DIGBY, N.S.

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I wish to direct a question to the Minister of Fisheries. Has he received information that herring seiners are interfering with winter weir fishing in Digby basin, Nova Scotia? Is the minister aware that no herring have been taken in Digby weir, with the result that the supply of bait to lobster fishermen is seriously affected? What steps does the minister intend to take to remedy the situation?

Hon. R. W. Mayhew (Minister of Fisheries): The hon. member did not send me notice of his question. I arrived in my office only this

morning, after a trip to the west but I shall look into the matter immediately and see what the answer is.

LABOUR CONDITIONS

UNEMPLOYMENT IN BRITISH COLUMBIA

On the orders of the day:

Mr. Angus MacInnis (Vancouver East): I am glad to see the Minister of Fisheries back in the house after his visit to the west coast. As I understand it, he went to British Columbia to look into the unemployment situation. Is he now prepared to make a report and to indicate what the government is prepared to do?

Hon. R. W. Mayhew (Minister of Fisheries): I went to the coast for several reasons, one of them being that I felt it was my duty, as minister coming from that province, to know what the labour situation was like and how serious it was. I have not yet had an opportunity of discussing the matter with my colleagues, and my colleagues have not had any opportunity of saying what they intend to do about it. A report will be made, however, as soon as possible.

COMBINES

ACQUITTAL OF DENTAL SUPPLY COMPANIES—QUESTION AS TO FURTHER LEGISLATION

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I wish to direct a question to the Prime Minister. In view of the action of the Ontario appeal court in dismissing the federal government's appeal against the acquittal of eighteen dental supply companies, will the government consider introducing at this session legislation under which combines may be effectively prosecuted when the results of an inquiry warrant such action?

Right Hon. L. S. St. Laurent (Prime Minister): I understand that this judgment is under consideration by the Minister of Justice, who has not yet had an opportunity of making his recommendations to council. As soon as he makes his recommendations, and a decision is made upon them, that decision will be announced.

HOUSING

QUESTION AS TO PURCHASE OF PROPERTY IN ESQUIMALT, B.C.—HOUSES FOR NAVAL RATINGS

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): I wish to direct a question to the Minister of National Defence, to whom I have sent notice. Has additional property been purchased in the municipality of Esquimalt, upon which to build houses for naval ratings?

Hon. Brooke Claxton (Minister of National Defence): I received the hon. member's notice just before coming into the house, and I can give him an answer with regard to the Department of National Defence. We have not acquired any additional land at Esquimalt. I am making inquiry to see if Central Mortgage and Housing Corporation may be considering that step.

TRADE WITH BRITAIN

SHIPMENT OF CARGO OF LUMBER THROUGH CHURCHILL, MAN.

On the orders of the day:

Mr. R. R. Knight (Saskatoon City): I should like to address a question to the Minister of Trade and Commerce. Have negotiations by way of financial arrangements been completed with the British authorities in order to permit the shipment to Britain of a cargo of lumber available for export at Churchill, Manitoba?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I understand that the British ministry has indicated a willingness to move a cargo of spruce through Churchill to the United Kingdom, but that the offer stated a price that was not acceptable to the sellers in Saskatchewan. I understand that negotiations have not been broken off, and I hope that they may be brought to a satisfactory conclusion.

COAL

BRANCH RAILWAY LINE TO BURNS MINE IN ALBERTA

On the orders of the day:

Mr. John R. MacNicol (Davenport): I wish to direct a question to the Minister of Trade and Commerce. Many cars of coal have been arriving monthly at Toronto from the Burns hard coal mine on Sheep river in Alberta. Is the minister in a position to assure hard coal users in Toronto that a branch line of railway will be constructed to this mine during the present year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I regret that I am able to give no such assurance. I am aware of the fact that coal is being mined on the Burns property, and that it is a good quality of coal. I am also aware of the fact that this property is many miles away from the nearest railroad. Negotiations for the construction of a branch line must necessarily be between the owners of the mine and the railway itself.

NEWFOUNDLAND

REQUEST FOR DECLARATION OF MARCH 31 AS NATIONAL HOLIDAY

On the orders of the day:

Mr. G. J. Tustin (Prince Edward-Lennox): I should like to direct a question to the Prime Minister. It arises out of a letter I received this morning from the Lennox and Addington chamber of commerce, in which attention is drawn to the fact that an historic event will take place on March 31 next. Has the government considered or will it give consideration to declaring March 31 a national holiday, so that all Canada may join in celebrating the entry of Newfoundland into confederation?

Right Hon. L. S. St. Laurent (Prime Minister): I think it would be a little bit premature to announce a celebration at this time. The bill before the parliament of the United Kingdom is, as I understand it, to come up for second reading tomorrow, and in the House of Lords I believe proceedings are being taken to retard its adoption. I can assure the hon. member that as soon as it becomes certain that the statute enacted here will be implemented, consideration will be given to proper notice being taken of that historic occasion.

Mr. Cruickshank: Will there be a Duplessis day?

An hon. Member: No, a Cruickshank day.

TRANS-CANADA HIGHWAY

COLLECTION OF TOLLS AT ENTRANCE TO PARK AREA—USE OF PARK HIGHWAY BY COMMERCIAL VEHICLES

On the orders of the day:

Mr. J. H. Matthews (Kootenay East): On Friday last I asked two questions of the Minister of Mines and Resources. At that time the minister indicated that he would read the questions in *Hansard* and give an answer later. Is he ready to do so now?

Hon. J. A. MacKinnon (Minister of Mines and Resources): I shall combine the answers to two questions asked by the hon. member for Kootenay East.

The department has been studying the matter of reconstruction of the existing water supply system and sewage disposal for the village of Field in Yoho national park. This village is largely inhabited by employees of the Canadian Pacific Railway Company, where the company maintains a divisional point. In these studies co-operation has been had from the Canadian Pacific Railway Company and the Department of National Health and Welfare. A number of suggestions have

been made, and these are being explored as rapidly as possible. In the meantime, steps have been taken to rectify the contamination by the mining company of the Kicking Horse river. Other sources of water supply have been studied, and an investigation is now under way to determine whether it is possible to obtain a safe and adequate water supply and make a water storage reservoir at a site above the village. It is hoped that money will be available in the estimates this year for work on the water system. The engineering studies in connection with the sewage system will take some time. Moreover, it will be necessary to carry on certain discussions with the C.P.R. about both the water system and the sewage system.

It is expected that it will take some time to reconstruct the main road through Yoho park and approach roads to a standard that would permit safe operation of modern freighting trucks, particularly during the months when this main artery of transportation is needed to handle the tourist traffic. There is no amount in the parks estimates for 1949-50 for the widening and setting up for hard-surfacing of the main road through Yoho park.

It is to be expected that when the trans-Canada highway is ready for travel to and through national parks, the policy with respect to charges for the use of that part of the road in national parks will be in accordance with whatever policy is adopted for the remainder of the trans-Canada highway.

(Translation):

ORDER PAPER

ANSWER TO A QUESTION BY THE MEMBER FOR CHICOUTIMI

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the member for Chicoutimi (Mr. Gagnon) asked me yesterday if I could explain why two notices of motion still appearing on the order paper for February 15th had been struck off. These were, I believe, Nos. 30 and 36.

Evidently such matters are under your control, but in order to save the member the trouble of finding out how he could put the question to you, Mr. Speaker, I made inquiries and was told that these motions had been struck off at the actual request of the members who had them placed on the order paper. A member who has given a notice of motion has a right to withdraw it so long as the house has not been called upon to take it under consideration.

Mr. Gagnon: Thank you very much.

(Text):

INQUIRY FOR RETURN

YUKON TERRITORY: TAXATION AND GRANTS AGREEMENT—YUKON AND MACKENZIE DISTRICT: FEDERAL GRANTS, 1946-48

On the orders of the day:

Mr. George Black (Yukon): On February 9 two motions of mine were passed by the house. The information required had to do with the Yukon and the Northwest Territories. It is all readily available in the Department of Mines and Resources, and should not take more than an hour to prepare. I should like to have the information before the debate on the address is completed. I hope it will be forthcoming without any further delay.

Hon. J. A. MacKinnon (Minister of Mines and Resources): I shall look into the matter immediately.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, February 28, consideration of the motion of Mr. D. F. Brown for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, before the house rose last night I was discussing certain measures which I thought should be introduced in order to ensure the safety of life and property at sea. After indicating the extent to which Canadians are interested in travel on the oceans, I described the system of direction-finding used to guide ships into the approaches to our harbours, and the means of transmitting information in the event of a marine disaster. But it is essential to any system of collection of information that there be a central room in which the information may be collated and passed out to the authorities who will have to act upon it. In spite of the sea-air search activities of the R.C.A.F., the absence of such central rooms is one of the great handicaps of the present system. It is a weakness which I believe could be rectified without a great deal of expense. What is required is something in the nature of an operational room.

Mr. Claxton: If the hon. member will excuse me, we have such a room in Halifax, and I rather think on the west coast as well.

Mr. Pearkes: If the minister will just wait, such a room—

Mr. Claxton: I should think that the hon. member would want to get the facts.

[Mr. Gagnon.]

Mr. Pearkes: Had the minister been in the house last night, or had he read *Hansard,* he would have seen that I was drawing my examples from the Pacific coast. I admitted that I did not know the details in respect to the Atlantic coast, although I am told that similar conditions exist there. On the Pacific coast, and, so far as I know, in many other parts of the seaboard of Canada, there is no central room from which information as to a marine disaster may be relayed from outlying parts, and from which instructions could be sent out readily to the various agencies whose activities need to be co-ordinated in order to assist in the rescue work.

I know that in the sea-air rescue squads of the R.C.A.F. some attempt is made to maintain such rooms, but on the Pacific coast they are small and inadequate. By the nature of their training the R.C.A.F. cannot help being more concerned about accidents to aircraft than about accidents to ships, although they do their best to deal with sea disasters as they do with air accidents. I do emphasize the fact that, although there may be exceptions, in the majority of places in Canada there is urgent need for a central room to which information can be sent direct from a ship in distress, or relayed by other ships, so that appropriate action may be taken.

In order to illustrate how necessary it is to co-ordinate these activities, I think we should examine for a minute the various facilities which are available for the rescue of a ship which may be in distress. First of all, on the Pacific coast, and I believe elsewhere, there are the marine service vessels, which carry supplies to the lighthouses, charge the lights around our coasts and look after the aids to navigation. I know that the government is constructing, or is intending to construct, two new lifeboats, but these two vessels have to look after a coast line of some 12,000 miles. I think hon. members will see that these two vessels will be inadequate for that vast extent of coast. Then there are the fishery patrol vessels—three, of reasonable tonnage; the vessels of the Royal Canadian Mounted Police; the search and rescue, or sea-air search, of the R.C.A.F. squadrons; the hydrographic survey vessels, such as the *William J. Stewart,* which is operated by the Department of Mines and Resources, and the naval vessels which are available. All this should be tied in with the most efficient coastguard service maintained by the United States, which frequently comes to the assistance of Canadian vessels in distress in Canadian waters. This becomes necessary because we have no coastguard service of our own, and because of a time lag under the present system our vessels are

unable to reach a Canadian vessel in distress in Canadian waters. Although the Minister of Transport (Mr. Chevrier) has informed the house that it is too expensive for Canada to establish a coastguard service, I do suggest that initial steps be taken to the end that better co-ordinating rooms may be provided.

The majority of accidents occur at those nodal points where sea lanes converge, particularly at the entrances to our harbours. The modern method of directing navigation inside a harbour is by the use of radar. At the commencement of the last war Canada led all nations in the development of radar and radar equipment. I am afraid, however, that today we are lagging behind. While there is a world-wide system of radar control in harbours, I believe I am correct in saying that the only radar at present established in Canada for the control of shipping within our harbours is a set at Halifax, and it is too far out to be of practical use in the control of shipping within that harbour. Had sets been placed close to the ferry between Dartmouth and Halifax, I question whether the accidents would have occurred which took place a month ago, when naval vessels collided with the ferry. As an example of what is being done elsewhere I would refer to the Mersey ferry. In thick weather that ferry is radar-controlled and is thus able to maintain its schedule.

Shortly before Christmas an experimental set was placed at the Lion's gate bridge, Vancouver. I hope these experiments will be followed up, and that we may soon see the establishment of an operational set. I do not believe, however, that the placing of a set at the outside of a harbour is all that is required. Sets should be placed right by the ferry slips so that the ferries between Vancouver and North Vancouver may run on schedule, whether in thick weather or not. One radar set established by the ferry slips would do the work of six placed on the ferries themselves.

Canadian Arsenals Limited, in co-operation with the national research council, have done a good deal of research work in connection with radar. Their new Mariner sets, No. 268, are in my opinion efficient. Many of them, however, are being sold to countries outside Canada. Surely our first duty would be to set up similar sets in every Canadian harbour —on the Atlantic and the Pacific, and on the great lakes—to ensure the safety of shipping entering our harbours.

I would urge that investigations be made looking to the establishment of radar sets at the points I have indicated. I do not care whether they are produced by Canadian Arsenals Limited, by Marconi, by Cossor (Canada) Limited, or by some other organization; that is not important. Radar is the modern means of directing vessels to harbours in thick weather.

In connection with the radar sets established on our own Canadian merchant vessels, I have seen vessels entering our west coast ports the operators on which have complained about their sets being out of order. They have spoken of the great difficulty of having the radar sets serviced. May I offer the suggestion that this is an opportunity for vocational training courses which could be given veterans of the merchant marine, so that we might have sufficient trained personnel in all our ports to service the radar equipment of our Canadian merchantmen upon their return from long voyages.

Radar equipment is not expensive. The sets produced by Canadian Arsenals Limited are comparatively light in weight—about two hundred pounds. These would be suitable for use in vessels.

I should like to touch upon one other point. I refer to the international convention on the safety of life at sea, to which a Canadian delegation was sent last year. While I have not yet had an opportunity to read the report —and I hope it will be tabled in due course— press reports have appeared setting out some of its recommendations. These reports have emphasized the importance of having all passenger-carrying vessels equipped with radio communication, and of the watch at such radio equipment being continuous, not only in order that early notice may be given of any disaster to the vessel itself, but also in order that disaster befalling other vessels which may have sent out SOS signals may be reported.

The Canada Shipping Act presents certain limitations. In it we find drawn a distinction between vessels plying on an international route and those on a purely domestic or coastwise service. So far as I know, no such distinction is drawn in the United Kingdom regulations. I submit there is very little difference in this respect between a vessel sailing from Vancouver to Victoria and one which sails from Vancouver to Seattle, or one leaving Vancouver for Prince Rupert and another from Vancouver to Ketchikan, Alaska.

I would ask that as soon as possible a review be made of the Canada Shipping Act to see that it complies with the recommendations of the international convention to which I have referred. I regret to see no mention in the speech from the throne of any proposed amendments to the Canada Shipping Act.

The last matter to which I wish to direct the attention of the house is the need for

still further markings of dangerous rocks and reefs which abound along our coasts. Much has been done; much more requires to be done. I offer these suggestions, and the ones I made last night, because I believe they are of intense importance to many Canadian citizens who live along our coasts. The importance of these problems has been enhanced by the fact that we hope shortly to have Newfoundland join the family of Canadian provinces.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I rise to take part in this debate primarily to carry out a promise made to the hon. member for Lethbridge (Mr. Blackmore) that I would answer a question which he asked on February 15. Before proceeding I should like to join with others in congratulating the mover (Mr. Brown) and the seconder (Mr. Demers) of the address on the thoughtful and excellent speeches they have made. The question asked by the hon. member for Lethbridge, as reported on page 536 of *Hansard* of February 15, is as follows:

> Will the minister make a statement to the house some time soon giving an account of the progress the government has made since January 1, 1946, toward making Canada more self-sufficient. Will he deal in some detail with the progress that was made in 1948, and that is being made in 1949?

That is not a question that can be answered simply. It is not the policy of the present government to attempt to bring about economic self-sufficiency in Canada. It is the policy of the government to encourage the production of those things that Canada can produce economically and efficiently, to encourage new industries that can thrive in the kind of economy we have here in Canada, and to discourage those industries that can live only with the help of high tariff protection.

There are many countries in the world that are adopting policies of economic self-sufficiency. Some of them are doing so through necessity brought about by exchange difficulties and some because of their belief that that basic policy is the correct policy. I know of no country that is prospering as a consequence of following such a program of economic self-sufficiency.

In the early days of this country, it was the policy of the government to build a high protective wall around the country and to encourage industries which could not operate on an economic competitive basis. The change throughout the years has been toward a lowering of tariff barriers and a building up of industries in Canada that are efficient and able to sell goods in the market places of the world at prices competitive with those of other countries.

In saying that, I would not want the hon. member to believe that great progress has not been made toward economic self-sufficiency as far as Canadian production is concerned. Our economy is being rounded out and filled in with new industries and more complete processes for existing industries. This is a matter that I shall cover as I proceed with my discussion. In short, our policy is to improve industrial efficiency and general productive efficiency and to fortify and expand our foreign trade.

In pursuance of that end we are carrying out a policy of maintaining a high level of employment and a high level of income. Quite obviously a high level of employment tends to bring about the highest possible production by our working force. By pursuing that policy we can protect our economic welfare and the security of the Canadian people to the best advantage.

This country, far from attempting to be economically self-sufficient, is a great trading nation. The trade of Canada is the third greatest trade in the world, a position that we became heir to during the war years and which we have maintained up to the present time. The trade of Canada on a per capita basis is about twice the trade of the United States and about twice the trade of the United Kingdom. The trade of Canada today is greater than the total trade of the United States ten years ago.

Mr. Hackett: In volume or in dollars?

Mr. Howe: I am talking about dollars, but I rather think our position would be the same in terms of production. This happy situation has been brought about by following a policy of high production, high employment, high income and high consumption.

The economy of Canada rests on two foundations, domestic investments and export trade. There has been great progress in building up our domestic investments. During the war years, from 1939 to the end of 1945, over $8 billion was invested in Canadian plant and equipment, a little more than a third of such investment being provided by direct government expenditures.

During the war years we strained Canada's economy to the limit to produce the munitions of war. By 1944 we had reached an export level which was an all-time record and which we are only now equalling in peacetime years. During the war years we were expanding our factory production, as we were expanding the production of our mines, of our fields and of our forests. During the war years essential material was being

guided into productive channels by a very tight system of controls. I can say that in spite of our high production, in spite of the strain on our supplies of raw materials, I know of no industrial war production that was interfered with through lack of material requirements. Of course, I am talking of production essential to the war.

While I am referring to controls I might say a word about the remarks made on Saturday last by the leader of the opposition (Mr. Drew). I believe the following was his statement:

> We are in a very real danger of losing that fight to the bureaucrats who accept the basic philosophy of Karl Marx no matter what political name they may adopt.

Then he said later:

> —I was referring to the appointment of controllers, priority officials and the people who are not his senior civil servants.

Inasmuch as the controllers and priorities officers are officers of my department, I should like to tell the house who they are and ask the leader of the opposition to pick out those who are followers of Karl Marx. At the present time there are four officers in that category.

One is W. E. Uren, who for the past eight years has been director of priorities. I have not noticed any tendency on his part to follow the doctrines of Karl Marx. The steel controller is Fred Ashbaugh, who has been associated with this work during the war period and subsequently. The timber controller is Gordon Rochester, a permanent civil servant, who has been administering the control since the war years. There is one other officer who might be classed as a controller. I refer to John Berry, the director of part III of the emergency conservation program.

The leader of the opposition (Mr. Drew) may have referred to an earlier period. Perhaps it may be of interest to the members of the house if I give him a list of former controllers. The first is H. R. MacMillan, timber controller. Then there are George Cottrelle, oil controller; Allan Williamson, of Wood Gundy and Company, controller of supply; R. C. Berkinshaw, president and general manager of the Goodyear Tire and Rubber Company; Gerald Godsoe; Henry Borden, co-ordinator of controls for a considerable period; Fred Kilbourn, steel controller; Hugh Scully, also at one time steel controller; Mr. Nicholson, who was a defeated Conservative candidate in the last election; the late Tillie Sterne, who was chemicals controller; J. R. Donald, controller of explosives, and George Gray. When I finish the list I shall ask the hon. gentleman to rise and tell me which ones he was referring to. George Bateman was metals controller; Fred Connell, metals controller; E. J. Brunning, coal controller; Martin Hoey, steel controller; J. A. Martin, rubber controller. That is the list of controllers, past and present.

Mr. Drew: Mr. Speaker—

Some hon. Members: Name them.

Mr. Graydon: You fellows keep quiet.

Mr. Speaker: Order.

Mr. Graydon: The wailing of the lost.

Mr. Drew: It is quite obvious that the minister knows as little about this as he does about electricity.

Some hon. Members: Hear, hear.

Mr. Drew: The minister quite obviously did not take the trouble to find out what had been said, because what I was pointing out was that these controllers have the right to delegate authority without any responsibility.

Some hon. Members: Oh, oh.

Mr. Howe: And I delegated authority to the controllers.

Mr. Drew: As far as that is concerned, the minister, in a very kind way, pointed out certain men who were Conservatives, and that—

Mr. Speaker: Order. I do not think that the leader of the opposition should take this opportunity to make a statement. I understand he has been invited by the minister, who has the floor, to answer the question put to him.

Mr. Graydon: He is answering the question.

Mr. Howe: I see my hon. friend is not going to make an answer.

Mr. Graydon: Sit down; you cannot take it.

Mr. Speaker: Order. The hon. member knows perfectly well that the rule is that a member who is speaking may not be interrupted without his permission. If the minister, who has the floor, wants to extend to the leader of the opposition an opportunity to answer the question it is his privilege. If the leader of the opposition does not want to do so, then the minister may carry on with his speech.

Mr. Graydon: That is a hit and run business.

An hon. Member: He is getting cold feet.

Mr. Drew: Now tell us about water power.

Mr. Howe: I asked him for names; I did not ask him to make a speech, which he has done on every occasion in this debate.

Mr. Drew: Tell us about water power.

Mr. Speaker: Order.

Mr. Graydon: As soon as you mention hydro he wants to get up again.

Mr. Rowe: He is afraid the light will go out.

Mr. Howe: Thank heaven the lights are on.

Mr. Casselman: Why are you talking to yourself rather than to the house?

Mr. Howe: If I may resume my dissertation on foreign trade—

Mr. Graydon: Get away from hydro.

Mr. Speaker: Order.

Mr. Howe: —I spoke of the investment program during the war years, a program that called for an investment in productive facilities exceeding $8 billion.

Mr. Drew: You were not speaking to yourself that time, were you?

Mr. Howe: I might as well be from the point of view of getting any intelligence out of my hon. friend. If he will keep quiet now—

Some hon. Members: Oh, oh.

Mr. Howe: Mr. Speaker, my hon. friend—

Mr. Speaker: Order.

Mr. Howe: —has occupied the time of the house for five times as many minutes as any other member. Perhaps he will keep quiet now.

Some hon. Members: Hear, hear.

Mr. Howe: The gallery will have to be disappointed this time.

Mr. Speaker: I ask hon. members not to interrupt the right hon. minister, who has the floor. Again I call the attention of hon. members to the fact that it is the duty of the Speaker to preserve order in the house.

Mr. Howe: The high level of investment policy did not end with the ending of the war. Monetary and fiscal policies assisted industry to convert its factories from war to peace, and conversion was followed by a further great expansion of industry. Between January, 1946, and December 31, 1948, capital was invested in plant and equipment exceeding $7 billion. This represents the highest rate of capital investment in relation to either income or population in the western world during that period.

That investment resulted in the establishment of many industries that were new to Canada, industries that tended to round out our economy, and to make Canada more self-sufficient as far as industrial production is concerned.

In November, 1947, as hon. members will remember, we found it necessary to introduce the Emergency Exchange Conservation Act. That was necessary to stop the drain on our American dollar balances which resulted from buying in cash in the United States and selling on credit in European countries. The operation of the Emergency Exchange Conservation Act has further tended to round out our economy. It was necessary to limit expenditures, for the purchase of goods in the United States, to those goods which were essential to the maintenance of our economy in an efficient state. The restrictions had the very decided effect of stimulating the manufacture of components and completed articles which had previously been imported, not because they could not have been made just as well in Canada, but because it was easier to import them than it was to organize their production in this country.

Increased exports of manufactured products did not stop during that period. Even though imports were reduced, our manufacturers were able to provide from Canadian sources the components that they formerly imported, and continued to step up production. All conservation measures were introduced only after consultation with industries to make sure that the measures, even though they were stringent in character, were not introduced in a way that would upset normal manufacturing practice. I shall speak later about the improved position of the dollar arising from that program and the manner in which the dollar saving was brought about.

I should like to mention foreign trade. I know that the member for Lethbridge (Mr. Blackmore) does not believe in foreign trade. He believes in economic self-sufficiency.

Mr. Blackmore: The hon. member knows nothing of the sort.

Mr. Howe: All I know is what I hear, and that is what I have gathered.

Mr. Blackmore: The hon. member has never heard that from me in his life.

Mr. Howe: A high level of foreign trade does not coincide with the theory of economic self-sufficiency. If it is economically self-sufficient, a country produces all it requires, and neither has goods to sell nor requires to import goods from abroad. That is my understanding of economic self-sufficiency.

Mr. Rowe: Would the minister name some of those countries?

Mr. Howe: I could give an example. I suppose at the time of Champlain the Algonquin Indians were in that position. They were not exposed to foreign trade. They were not particularly prosperous either, so far as I have been able to ascertain.

Mr. Rowe: That was before you were in Canada.

Mr. Howe: The present level of trade, Mr. Speaker, is the highest in Canadian history. Last year it reached a figure of five and three quarter billion dollars or four hundred and sixty dollars for every man, woman and child in Canada.

I spoke of our exchange conservation program and the effect of that program in remedying our adverse balance of trade with the United States. Our adverse balance of trade with the United States of $920 million in 1947 was reduced to $285 million in 1948. This represented a net improvement in our United States trade balance of $635 million within that period.

Mr. Cockeram: How much of that was ERP?

Mr. Howe: The significant thing is the manner in which this improvement was achieved. It was accomplished by an increase in exports of $465 million and a decrease in imports from the United States of $170 million. In reply to the question of my hon. friend about ERP, it added not at all to either our exports to the United States or our imports from the United States.

This $170 million decrease in imports from the United States greatly underestimates the exchange savings resulting from conservation control, because a higher level of domestic development coupled with a much higher level of exports would ordinarily have called for a still greater import of United States goods. I am particularly pleased about the success of the program in correcting our trade balance at a high level, by increasing exports to the United States by $465 million during the year 1948. It seems to me it is a real accomplishment for our manufacturers, our farmers and our producers of lumber and fish, who can all take a share of the credit. It was a magnificent response to a call from the government to increase our exports to the United States.

Another important change during 1948 was in our trade with the United Kingdom, and this shift was also in the right direction. Our imports from the United Kingdom rose from $190 million to $300 million. Our exports to the United Kingdom dropped by $65 million, but the United Kingdom trade deficit with Canada was reduced by $175 million.

An hon. Member: What were the figures?

Mr. Howe: Someone has asked a question concerning the figures; in 1947 our exports to the United Kingdom were $753,700,000, and in 1948 they were $688,700,000.

Mr. Hackett: Were those figures not increased by ERP?

Mr. Howe: I do not know about that. My hon. friend seems to have ERP on his mind. All I can tell him is that our exports to the United Kingdom were paid for by the United Kingdom. From what source the money was obtained, I do not know.

Our total exports for 1948 increased by $300 million over 1947 figures. The principal increases were in beef and cattle, $87 million; wood pulp and newsprint, $75 million; metals, $128 million; farm machinery, $32 million.

I might mention wheat. In this house we have heard a good deal about wheat but I think we are going to hear less about it in the future, because any mention of wheat is going to remind the farmer that his return for 1949 and for 1950 will be higher than the returns to any farmer in any other corner of the world.

Mr. Ross (Souris): He will still be short $600 million.

Mr. Howe: I can tell the members of this house that our wheat for the crop year of 1948 is 95 per cent sold at the present time.

Mr. Hackett: At a loss of over a dollar a bushel.

Mr. Howe: My hon. friend never saw a kernel of wheat in his life.

Mr. Rowe: He knows the price of it better than you do.

Mr. Howe: When the farmer plants his wheat this spring, he will know just what the returns from that particular wheat will be. He knows that 140 million bushels of the 1949 crop have been sold to our traditional customer, the United Kingdom, at a price of two dollars per bushel. Much has been said about the United Kingdom wheat contract, but too little has been said about the importance of having a place reserved for Canada in the market of the United Kingdom. I can tell the members of the house that, had it not been for the firm contract for 140 million bushels of wheat to the United Kingdom from the 1948 crop, there would be a great deal of unsold wheat in Canada today, just as there is in the country to the south of us. As the minister responsible for the export sale of our wheat, I am very happy indeed to know that 140 million bushels of the 1949 crop have been sold at a firm price, a price that in these days of falling markets appears to be an excellent one for Canada.

I suggest that, before we talk any more about losses from the United Kingdom wheat contract, we remind ourselves that only two and a half years of the four-year period have passed. It may be well to look at the final

results before counting our losses. I am sorry I have ruined my friend's favourite speech.

Mr. Ross (Souris): You wait until he has the next opportunity of talking for forty minutes.

Mr. Howe: My time has almost expired, but I should like to say a word about the economic outlook. As I have said before the prosperity of a country can be gauged fairly well by the annual volume of its exports plus the annual volume of its investment. In Canada, our capital investment program for the year 1948 stood at about $3 billion. By a coincidence, our exports from Canada during the year 1948 were also at about the level of $3 billion. At the same time our gross national product—that is, the value of everything produced in Canada during 1948—was in excess of $15 billion. I might say to hon. gentlemen that each of those figures is just about three times the comparable figures of ten years ago and about six times the comparable figures of the period 1930-35 which hon. gentlemen opposite know something about.

In our department it is customary to attempt a forecast of the current economic period. Earlier today I tabled the results of a questionnaire that is sent out by the department to some eighteen thousand business firms in Canada. It is sent to municipalities, to provinces and to every agency that carries on construction work. It is a type of survey that has been made for the past several years which has proven to be remarkably accurate. Its importance has been recognized by business, and each year we are getting better co-operation from business in working out that survey. The survey reveals that the total investment intentions for 1949 exceed those of 1948 by about eight per cent. That is eight per cent in value, which means by about three per cent in volume. There are some changes in the pattern for 1949 investments. There is a higher proportion of investment, on the part of institutions, in utilities and in housing and a somewhat lower proportion in the manufacturing industries. That is indeed an exceedingly large investment program for a country of our size, but the supply situation has improved considerably and there is every reason to believe that Canada will be able to complete the program that is there indicated.

A study of the gross national product figures indicates that the gross national product for 1949 promises to be about $1 billion higher than the $15,500 million estimate for 1948. There is an indication that the general level of business will be about the same as in 1949, with a leveling off in prices that will relieve the economy of the inflationary pressures that were caused in part by the short supply position. As a result of the survey, and of the studies that have been conducted by officers of my department who are competent to make such studies, I think I can say that, barring earthquakes, serious labour-management troubles or a change in government, the position of our economy during 1949 will not deteriorate, and the people of Canada can be assured that 1949 will be as prosperous a year as was 1948.

Mr. Adamson: May I ask the minister a question? He said there was an increase of eight per cent in value and three per cent in volume as between the years 1948 and 1949?

Mr. Howe: Talking about investment, yes.

Mr. Adamson: The expected investment will have an increase of eight per cent in value which, according to the minister's figure, is three per cent in volume?

Mr. Howe: That is right.

Mr. Adamson: That is, in that period we have fallen that much in the relative purchasing power of the dollar.

Mr. Howe: That is from a comparable period in 1948 to a comparable period in 1949.

Mr. W. Ross Thatcher (Moose Jaw): I am sure, Mr. Speaker, that the house found the speech of the Minister of Trade and Commerce (Mr. Howe) most interesting, but I wonder if a great many of the Canadian people will not also find it a bit disappointing.

Mr. Cruickshank: This one certainly will be disappointing.

Mr. Thatcher: I wonder if the minister had cause to be as optimistic as he appeared to be. He made the statement that the condition of Canadian trade at the present time is healthy. I do not see how he can arrive at that conclusion, because a good deal of our trade at the moment is based on loans or credits that we have made to Great Britain, or on ERP aid; and I understand that there is every possibility that those loans will soon be used up, and that ERP aid will soon be gone. When that time comes, I wonder in what kind of position we Canadians will find ourselves.

This afternoon the minister talked, it seemed to me, a little bit too much about the present. He did not talk about the future. He did not tell us what he plans to do to increase British imports into this country, or what he plans to do to remedy the deteriorating position of our British-Canadian trade. I plan, for about fifteen minutes this afternoon, to talk about that subject. During the past year we have seen our exports to Britain shrink rapidly in almost every line. This

has been true particularly of manufactured and processed goods, on which we depend so heavily to maintain full employment; but it has also been true of such pre-war staples as bacon, livestock, agricultural products, timber and newsprint. Our apple markets in Britain are today practically gone. I understand that the apple growers on both coasts are facing virtual ruin.

Our exports to Britain have shrunk despite the fact that in the past several years we have given substantial loans to Britain. Our exports have shrunk despite the fact that in the past year the Americans have given to Britain more than $500 million in ERP aid directly, to finance Canadian purchases. As a matter of fact our trade relations with Great Britain have been strained practically since the end of the war. I do not think the minister was fair with the house this afternoon. Putting it bluntly, the way in which we have kept our exports to Great Britain, even at their present level, was only due to the fact that for the last two years—perhaps this is exaggerating slightly—we have virtually been giving many of those goods away.

The causes of our present trade difficulties with Great Britain are well known to every hon. member. Prior to the war Britain, year in and year out, was able to buy three times as much from Canada as we bought from her. Since the war, the financial position of Britain has been such that this trade relationship has no longer been possible. Britain has been forced by harsh realities to buy from those countries that bought from her. In other words, she has not been able to trade on the old basis, simply because she has lacked Canadian dollars to do so. Therefore I think the trade situation of Canada is much more serious than the minister a few moments ago gave us to believe. Unless we can do something to increase British imports into this country, and do it soon, we face the real prospect of losing in Great Britain many of our markets for our primary products.

Mr. Cruickshank: Do you want to bring horse meat in here?

Mr. Thatcher: If the present situation is serious, then I think the future situation appears even more difficult; because, should that artificial and temporary prop of ERP aid be removed, the bottom could fall out of our British market almost overnight, not twelve months from now, not six months from now. It could fall out in a month. There is apparently a strong possibility that ERP aid may be removed. I shall quote a few lines from the *Financial Post* of February 19, which reads as follows:

> Canada stands in grave danger of losing ECA support for her wheat agreement with the United Kingdom—a trade which totalled $304 million in the ten months ended January 31, 1949. It's the biggest and most ominous problem Canadians have faced since the war. . . there is little doubt that unless there is intervention at the highest level, likelihood of Canada getting further ECA funds for the United Kingdom wheat deal is highly uncertain.

In the house the other day the Prime Minister was asked whether, while he was in Washington, he was given any assurance by the President that ERP aid would be continued. The best assurance that the Prime Minister could give the people of Canada was that he felt certain the President had a "friendly understanding" of our problem. That will help, but nevertheless we must face the possibility that ERP aid may soon be removed.

Recently, London concluded a billion-dollar barter agreement with Poland, and the products which Britain obtained from Poland were livestock, cheese, and other agricultural products. I believe I am not exaggerating, Mr. Speaker, when I say that that deal caused consternation in agricultural circles in Canada. We know that that is not the only barter deal that England has concluded with European countries. There have been dozens of others of a similar nature. Mr. Speaker, in almost every case, the products which Britain is securing from these countries are the products which formerly she obtained from Canada. In other words, as time goes on we are seeing the markets for our primary products evaporate.

In addition, today the United Kingdom authorities are spending substantial sums of money in developing the continent of Africa. When these food-producing areas commence to produce, it is reasonable to assume that in the future Great Britain will be even less dependent upon Canada for food than she is today. Therefore, Mr. Speaker, no matter in what way we look at it, the primary producers of this country are facing very serious marketing difficulties, and I do not see how these facts justify the speech made by the minister this afternoon that the future trade prospects of Canada are rosy.

We could look for markets elsewhere. Probably we could sell some of our farm surpluses to the United States. Yet, in the past, the United States has always been insecure so far as markets for Canadian primary products were concerned.

It would seem to me that the most sensible solution for this parliament to attempt would be to hold our British markets. In some way we must find methods of increasing British imports into this country. It seems to me that in the last few years the government has been most apathetic in devising ways and means to increase British imports. Far too

often we Canadians forget that in order to be an exporting country we have to buy. If you want to sell to a customer you must give him the means to pay for the goods. Sir Stafford Cripps warned this parliament and the Dominion of Canada about two weeks ago, in a manner that we cannot overlook. Sir Stafford made this statement in Great Britain. Probably hon. members have read it but I should like to quote it from the Canadian Press.

> Cripps issues warning Canada to lose exports unless it "buys British."
>
> Britain will buy less food from Canada unless Canada buys more from Britain, Sir Stafford Cripps, chancellor of the exchequer, said Thursday.
>
> . . . he said the crux of the post-war Anglo-Canadian trading problem is expansion of British exports to Canada.
>
> He said the present difficulties in Anglo-Canadian trade could be eased by greater Canadian purchases in other sterling areas in addition to the United Kingdom.

Surely, Mr. Speaker, that statement puts our trade problem right up to this parliament. If we want to continue to hold our markets in Britain we have to increase our British imports. As a parliament, perhaps there are several methods we could adopt which would accomplish that objective. I think one of the first would be tariff concessions on British imports. The government should thoroughly explore the possibility of giving fairly substantial tariff concessions to the English on British merchandise. We have not yet passed the Geneva trade agreement. It may not be wise for this parliament to pass it. I was concerned the other day to read an article about tariffs in the same issue of the *Financial Post* which I quoted a moment ago. This is what it said:

> Cotton, rayon quotas off, tariffs back on July 1.
>
> Tariff rates on cotton and rayon textiles are expected to be restored after June 30.
>
> . . . it is expected that the government will announce these decisions at least three months ahead of the effective date.
>
> The British trade has been warned, it is understood, that the government is no longer able to permit suspension of rate, which gave British suppliers free entry to the market.

I questioned the Minister of Finance the other day as to the veracity of that report, and he denied that such notice had been given. Notwithstanding that denial, the next day an article appeared in the Ottawa *Citizen*, written by Ross Munro, which was headed up:

> To reimpose tariffs on United Kingdom cottons.
>
> The government intends to reimpose the British preferential tariff on British cottons and rayon textiles after next June 30.

I sincerely hope that that statement is not correct, Mr. Speaker, because it would be economic lunacy to put higher tariffs on British goods, at a time when Canada should be trying to encourage British imports. Therefore the first step that this parliament should take would be to explore the possibility of reducing tariffs on British goods; but I hasten to say at once that I do not think that that step in itself would be sufficient to remedy our trade difficulties.

In recent months more and more Canadians have commenced to wonder whether a barter deal, or a bilateral deal between Britain and Canada might not be the solution to our problem. If European countries can make workable exchanges with Britain, it is difficult to understand why Canada cannot do likewise. Personally, I believe that in most cases barter is a retrogressive step. I think that, if most Canadians had any choice in the matter, they would prefer to retain multilateral trade; but it is beginning to appear in the world today that we may not have any choice.

I should like to quote another paragraph from the same issue of the *Financial Post*:

> Records compiled from official sources by the Department of Trade and Commerce at Ottawa, reveal that there are betweeen 100 and 150 barter or bilateral deals now in existence, mostly between the countries of Europe.

Apparently the British have decided that in the future they are going to conduct most of their trade on a bilateral basis. If we wish to continue trading with Britain, it looks as if we are going to be forced to deal in that way.

On February 9 I asked the Minister of Trade and Commerce (Mr. Howe) whether he had explored the possibilities of barter trade with Great Britain, and he made this reply, as reported on page 393 of *Hansard*:

> The Canadian government is not favourably disposed toward barter agreements between governments . . . It believes in multilateral trade and is opposed to any system of trading which tends to interfere with multilateral trade.

That is a pretty brusque statement, and at the risk of appearing presumptuous I would say that it was not a wise one. The minister should admit that there is something wrong with our trading system between Great Britain and Canada. If the old system will not work, perhaps we are going to have to try something new. We read a good deal about the rumours of another barter deal, this time concerning wheat, between Great Britain and Russia. This afternoon the minister was optimistic. He said that we have an assured market. That assured market will continue only for a few more months. If by some chance we should wake up some afternoon in this parliament, and find that Great Britain had concluded with Russia a barter deal for wheat, I think the whole economic structure, not only of the prairies but of this country, would be shaken to its very foundations. I say therefore that if barter or bilateral trade is the only way we can keep

our British market, then by all means let us adopt barter. It is not a question of whether or not we like barter—not a question of that at all. It is a question of whether in order to maintain our British market—indeed, in order to survive economically—we are prepared to adopt that method of trading, if the British ask or force us to do so.

As a matter of fact I found somewhat strange the aversion of the Minister of Trade and Commerce (Mr. Howe) to state trading. After all, I remember that the first year I was in Ottawa he and his ministers played a leading role in negotiating, between Canada and Great Britain, a wheat agreement under which the Dominion of Canada sold Great Britain 600 million bushels of wheat. If he could do it then, why is he afraid to do something like that at the present time?

I believe there are many Liberals across Canada who are not afraid of that kind of trading agreement. For instance, Premier Byron Johnson of British Columbia only a few weeks ago, in a letter to the London *Times*, openly suggested that British Columbia would be interested in exchanging British Columbia lumber for British steel.

I say a decision in respect of trade is pressing; it cannot wait indefinitely. In my home city of Moose Jaw we have a plant of the Swift Canadian Company in which normally five hundred men are employed. Today approximately two hundred are out of work because Great Britain no longer buys as much meat from us as she did formerly. Then, we have flour mills across Canada. Today many of them are either closed down or have laid men off because Great Britain is not buying as much flour as she did formerly.

I have already mentioned the position of the apple growers.

Mr. Cruickshank: In Saskatchewan?

An hon. Member: Horse feathers!

Mr. Cruickshank: Apple growers in Saskatchewan!

Mr. Thatcher: I say that our marketing difficulties are already upon us, whether we wish to admit it or not. It is not enough for parliament to continue to do nothing, to drift, and to hope something will turn up which will give us back our British market.

As Canadians we must understand the position of the British. One cannot help admiring the wonderful economic recovery they have made in the last several years.

Only last Saturday I picked up the Ottawa *Citizen* and noticed that one of the leading editorials dealt with the subject of the British government and trade. The editorial says this:

> The truth is that the Labour government has proved a magnificent success. It was elected to power in one of the most difficult hours of Britain's history. But it has measured up to the grave tasks imposed upon it in a fashion that has won the admiration and reluctant approval even of individuals and publications which ordinarily would be expected to be among its bitterest critics.

A good deal of the success of which the *Citizen* speaks was accomplished by the British through these bilateral trade agreements. Using such trading methods the United Kingdom has achieved a degree of rehabilitation and recovery which is almost incredible. Therefore if today they are somewhat reluctant to relinquish those trading methods, we can scarcely blame them. Nor can we blame the British government entirely if they maintain that the final answer to our trading impasse lies with the parliament of Canada.

After all, from the figures the minister gave us a few moments ago, the fact remains that Great Britain is still buying at least two and a half times more from Canada than we are buying from her. It is one of the main duties of parliament at this session to face up to that situation. While we are looking for a solution we must hope that the British will give us sympathetic and generous understanding, particularly when they remember the billions of dollars we poured into Great Britain in our joint war effort, when they remember the billions of dollars we have given them in loans, credits and gifts since the war, and when they remember the hundreds of millions of dollars which our primary producers have given them through selling our products at sacrifice prices. With those things in mind I feel sure the British will give the people of Canada every consideration.

I would urge the government of Canada immediately to adopt the following steps, in order to improve British-Canadian trade:

1. Call an immediate trade conference between top-level Canadian and British governmental authorities, at either Ottawa or London, to explore the trade situation thoroughly and completely. I believe the Canadian delegation should include representatives from all the major political parties of the House of Commons.

2. The Canadian government at that conference should be prepared to make major tariff concessions to Britain, in order to encourage British imports.

3. The Canadian delegation should express complete willingness to enter bilateral or barter agreements with the British, if they desire it.

4. Import boards should be established immediately in Canada to direct the disposition of British goods in this country, and to encourage British imports generally.

5. Long-term agreements for primary products such as wheat, apples, fish, lumber, et cetera, should be particularly sought by the Canadian delegation.

I emphasize once again that I believe the time for action of that sort is limited. Some may deplore the fact that it might be necessary to use barter trade. We must realize however that, in the world as it is today, that type of trading is being carried on more and more extensively. If we wish to protect our British markets, then I suggest these steps be taken soon by parliament.

On February 8, Harold Wilson, president of the British board of trade, said:

> The British government is prepared to examine any suggestion "however unorthodox" to increase exports to Canada.

The British government is desirous and willing to co-operate. I suggest therefore that this parliament should proceed—and let us proceed soon before, as I said a moment ago, some morning we awaken to find that Britain has concluded a wheat agreement with Russia.

Mr. G. R. Webb (Leeds): Mr. Speaker, may I add my voice by way of congratulation of the mover and seconder of the address in reply to the speech from the throne. May I also add a word of welcome to those new members who have taken their seats at this session, and an especially enthusiastic welcome to my leader, the hon. member for Carleton (Mr. Drew). Not only has he given a great deal of inspiration to hon. members on this side of the house, but he has created a sense of interest throughout the house and has given high hopes to men and women in all walks of life for a greater and more united Canada. His presence here portrays vividly great changes, one being the fact that it has created a housing problem within the seating arrangement for hon. members of the Progressive Conservative party. Every available seat is now taken. I think it only fair to give notice at this time that, should any further by-elections be fought, further seating arrangement be made accordingly.

The speech from the throne begins with these words:

> The first concern of government in world affairs is to ensure peace and security.

May I hasten to say that I am fully in accord with those sentiments and I believe all hon. members of the house and in fact all people across Canada are also in accord with those sentiments. After spending many days listening to the speeches that have been delivered in this house, some good and some not good—probably mine will not be so good—I have not as yet been able to develop any great feeling of comfort, especially from what has been said on the government side of the house. I realize that there are many problems that present themselves in carrying out those high aims and achievements and I should like to deal with a few of those problems as I see them as well as with some of the things that have come to my attention as I have gone across the country. It seems to me that there are two things, both closely linked together, which are spoken of more than anything else, namely, the high cost of living and the very high taxation.

We hear a lot about the need of keeping down prices, but we do not hear so much, especially from some quarters, about the need of keeping down all kinds of government taxes. In my opinion the various government taxes, direct and indirect, are as much a part of the high cost of living as are prices. High prices are sometimes escapable, but I have yet to find a way to escape high taxes. Therefore, to my way of thinking, high taxes are in reality a greater factor in the high cost of living which affects the people of Canada so much at the present time.

Not only are high taxes hard on the individual, not only do they constitute an important factor in the high cost of living; they affect adversely the whole economy of Canada. High taxation adds to the cost of production, which in turn means higher price tags on the things we have to sell. For a country which must sell about one-third of what it produces in order to keep prosperous, that does not seem to me to be a healthy situation. The nations that buy our goods are not particularly interested in our high taxes, in our production or other costs. If our prices are too high, it follows that they are going to buy from other countries whose price tags are lower. I think we must accept that as being reasonable.

Therefore I submit that something must be done to overcome these extremely high taxes. They are crippling enterprise, stifling development and denying adventure. More and more capital is shrinking from too great risk. More and more businessmen, including farmers, are asking themselves whether it is worth while to work for the state by extending their efforts or whether it is not better just to coast along. High taxes affect people in all walks of life. While it is not my purpose to pick out any particular class, for just a moment I should like to refer to the effect high taxes have had upon the farmers. May I say right here that I have had very close connections with farmers all my life and I know something of their ways.

I have never found farmers to be opposed to the payment of taxes provided they are applied on a fair basis, but they are certainly opposed to the present government's method

and basis of taxation and the manner in which the laws governing taxation are being enforced. On February 1 the hon. member for Hastings-Peterborough (Mr. White) went into this matter in some detail and I need hardly say that I am heartily in accord with everything he said at that time. It is not my purpose to take up the time of the house by repeating what he said, but I would direct the attention of hon. members to his remarks as reported on pages 150 and 151 of *Hansard*. I suggest that anyone who has not given particular attention to what the hon. member said, in so far as his remarks applied to farmers, would find his time well spent by reading his speech. What he said applies to farmers in general, and certainly to the farmers in my district.

I believe that if the farmers were approached in the proper way, if the tax form they are required to fill out did not require such an extensive bookkeeping system, if they were allowed the exemptions to which they are justly entitled, if the government would eliminate the present questionable and mysterious method of enforcing the income tax laws, they would be ready to pay just the same as anyone else. I submit that a large portion of the present vast army of tax collectors and what-have-you might be dispensed with and the Department of National Revenue would thus be able to save some money.

Just in passing, may I enlarge upon what I mean by just exemptions, to which I think the farmer is entitled. Anyone inside or outside the house who has had any experience in farming knows that the farmer works anywhere from ten to fifteen hours a day. That is not a three or four day week, it is a seven day week. Then consideration should be given to the assistance which he receives from his wife, not only in connection with running the household but also in connection with outside work. Then assistance is provided by any sons and daughters, in fact by everyone connected with the farm household.

As far as I can figure out, our farmers do not get the exemptions I have just referred to. They are not given consideration for the hours of work they put in. If that were considered, and if consideration were given to the exemptions to which they are justly entitled, then I think you would have an entirely different situation in connection with the collecting of income taxes from farmers. In addition it seems to me that, in the result, you would have a much happier and more satisfied people. Urban and rural people would be brought more closely together, and would eventually understand one another much better; but in my opinion the farmer has done a great deal, especially during the war years, to bring about a balanced economy. We read in the press, and in fact we hear from many other sources, about the possibility of a reduction in income tax this year. We are led to believe that we should expect one when the budget is presented to the house. I hope this is not only wishful thinking, because it is long overdue. I can only say that I believe the Canadian people are, and have been, very suspicious of the government withholding relief from taxation until a time when they might hold it out as an inducement to the people of Canada to return the present government to power. That is hardly fair, but from the reports I receive from people right across Canada it would seem that any relief in taxation which may be forthcoming in the budget will probably be too little, and definitely too late, to accomplish the desired result.

There are many taxes to which I might refer, but it is pretty hard to pick out one tax which seems to be more discriminatory than another. I believe that almost all members of the house have been receiving letters, and have been approached on many occasions, about the tax on jewelry. That is only one article, and I am not going to spend very much time on it at the moment because other speakers have dealt with the matter. I refer particularly to the hon. member for Red Deer (Mr. Shaw), who made a speech the other night. I have read his speech, and I should like to refer members to page 751 of *Hansard* where it seems to me that he has set out the situation very well. I believe that the Minister of Finance (Mr. Abbott) has been pressed on many occasions with representations about this tax. Therefore we can only hope that some consideration will be given to this particular business, because we are all anxious to have businesses in our respective communities carry on in a prosperous way. I know they are very much affected at this time.

I had intended to say a good deal about the wartime prices and trade board, but I do not want to repeat any more than is necessary. At this stage of the debate it is pretty hard to talk about anything that has not already been referred to. Dealing with the activities of the wartime prices and trade board in my community, I cannot do better than to refer you to the remarks that the hon. member for Hastings-Peterborough (Mr. White) made not long ago. After listening to his speech and reading it, I can only say that my experience in the constituency of Leeds has been very similar. I refer the members of the house to pages 152 and 153 of

Hansard, where the hon. member states his experiences. I only wish to add that I concur in his remarks. It seems to me that it is about time that drastic changes were made.

I want to turn to another matter to which I have referred on different occasions when the estimates were before the house, the question of rural postal service. At the beginning of my remarks I said I was going to mention several items, and this is one of them. On several occasions I have brought to the attention of the postal department the fact that a large number of families in our rural areas are not receiving postal service. It has always been my contention that, if one person is going to receive postal delivery in a rural district, then everyone within that area should receive the same service, if at all possible. I know of cases in my part of the country where there seems to be definite discrimination, and for reasons that are pretty hard to understand. I suggested in the house at one time that I thought it would be reasonable to make a survey of the various postal routes. I know there are some of them that are much shorter than others but which really should get more money. The condition of roads varies, and there are many other conditions which should be taken into consideration. Until such time as a survey is made, may I say that I cannot see how anyone can possibly sit in an office in Ottawa and know the type of delivery that should be made, how often it should be made, and what the cost of the delivery should be on a reasonable basis. I am not going to say anything more on that subject.

There is another matter that is of great interest to me, and on which I have spoken on different occasions. In passing I want to bring to your attention again my opinion about national parks. I believe the government—and I will give them a little credit here—are on sound ground in increasing the expenditure on national parks. In my view such parks constitute a great Canadian asset which should return dividends from year to year. As time passes, and the number of tourists increases, they will prove immensely valuable. I feel that very soon eastern Ontario—and incidentally I think it would be quite in order for me to suggest the county of Leeds, which after all is the most popular resort area in eastern Ontario—should also have a national park on a basis that is really worthy of this country, and in keeping with the natural beauties and attractions of this section of Canada.

Closely linked with that subject, of course, is the tourist business. Every session since I have come to the house I have spoken about the value of tourists to our country, not only because we need hard currency, but also because we need the friendship of those who come here. People with whom we have played golf, fished, and possibly sailed, and whom we consider as personal friends, will feel favourably disposed to trade with us if we extend the right hand of fellowship, and if we do not withdraw the hand too quickly to count the tourist dollars which we hope repose therein.

The tourist industry has been kicked around in various departments of the government since I have been here, but I do not think it should be regarded any longer as a sideline. I think it should take a major place in some department of the government which will be able to familiarize itself with it, and carry on year after year, instead of having it turned over to a different department every year or two. I think that our efforts in this direction certainly should be increased, because after all it is a very important factor in our everyday life, especially in my particular part of the country. The hon. member for Lambton West (Mr. Murphy) touched on this question in his speech the other day. He asked for a commission. I have not had an opportunity of talking with him since, but I think last year we both asked for something a little different from what we have had. This might be the answer. In closing this particular portion of my address, I should like to say that I no longer consider this a sideline of this government and I hope the department concerned will give the matter special consideration.

I should like to mention one other item which seems very important to me and which has not been mentioned in the present debate. It concerns accidents at level crossings, about which we read every day in our newspapers. In this modern age, nothing is more antiquated than the average level crossing. Most of these crossings were constructed in the horse and buggy days. The tremendous increase in the pace and volume of traffic today has made these crossings entirely inadequate and extremely dangerous. I made a survey of the accidents at these crossings during the last two years and although I did not bring the figures with me, I can tell you they were shocking. A large number of people lost their lives or were maimed for life in level-crossing accidents throughout this country. This week I read a newspaper report of five people who were killed at a level crossing near Kirkland Lake. Within the last two days two more people have been killed. So often when we pick up our morning newspaper we read of another accident at one of these dangerous railway crossings.

Most of these crossings are going to be with us for a long time. I realize that the

elimination of all level crossings within a short period of time is quite impossible. All we can do in the immediate future is to eliminate the more dangerous crossings which exist on the heavily traveled highways and streets. I trust you will bear with me if I give you an example of one of the most dangerous level crossings in the province of Ontario. This crossing is located on the main line of the Canadian National Railways close to the railway station in the town of Brockville. At this point the railway line intersects Perth street, which is the street used by most north and south bound traffic in the town of Brockville. I travel this highway frequently and it is a very rare occasion when I am not halted at this crossing for a considerable length of time. I am not going into too much detail at the moment, but this is the main east and west line of the Canadian National Railways and is consequently heavily traveled. Incidentally, the railway yards are also in that area. A considerable portion of the town is on the north side of the track and it is not unusual to see hundreds of school children waiting to cross at this point. On many occasions the fire department has been delayed at that crossing, with very serious results.

I am sorry the Minister of Transport (Mr. Chevrier) is not in his seat at the moment because I believe he is familiar with this particular crossing. If he were here I am sure he would agree with me when I say that this crossing is one of the most dangerous in this province; in fact, I would not be surprised if it were one of the most dangerous in Canada. I have described this particular crossing and tried to tell you of the inconveniences and the hazards that prevail there. I firmly believe that the correction of this situation would be a great relief to the railway men who have the responsibility of handling rail and road traffic at this busy point, and it would add to the safety and convenience of the pedestrians and vehicles using the crossing.

In discussing possible solutions with the local citizens, I have been informed that vigorous complaints have already been lodged with the representatives of the Canadian National Railways. So far this has brought no results. For the present I must be content to let my case rest at this point, but I feel this is an important matter. While I have mentioned a specific case in my own constituency, I would not want anyone in the house to feel I am selfish about this, because I know there are many equally dangerous crossings in other parts of Canada. As I said before, I do not believe all level crossings can be eliminated at once, but I do feel that some of the more dangerous ones, at which accidents have been frequent, should receive some special consideration by the Department of Transport.

It is not my intention to labour this question, but I should like the Minister of Transport (Mr. Chevrier) to note that I have not finished with it. I trust that, before the minister's estimates are before the house, he will be able to give me some sort of satisfactory reply as to the possibility of improvement at this particular crossing. I believe it is important to the people in my constituency.

In conclusion, I submit that the immediate necessity is for a revolution in the government's thinking. Whether such apprehension can come to this government, which seems entirely out of touch with the man on the street, is of course another matter. It may be that no redress can be hoped for without a deeper and more drastic change.

Mr. E. G. Hansell (Macleod): In rising to speak in this debate, Mr. Speaker, I am not going to take the time of the house to analyse all that the speech from the throne contained. I am going to confine myself to one line of thought which I believe is paramount in the world today. I shall of course direct my remarks to the present administration. I recall on one occasion hearing of a young doctor who said: "I do not understand why that patient died; I gave him every kind of medicine I could think of." If the story be true, obviously the young medico was frustrated, and his frustration resulted in his trying anything and everything. As I listen to much that is said in this house, particularly by those whose words should mean something—I mean those who sit in the seats of the mighty, those whom I call head-cheese politicians who sometimes appear, politically, to be neither fish, flesh nor fowl—those in authority over us, I wonder if they are not like the young doctor. To me at least one thing seems to be certain; that is, that they could not have properly diagnosed the ills of the nation or of the world. If those in power had correctly diagnosed the world's headache, they would have discovered something of the enemy behind the scenes.

Through you, Mr. Speaker, I shall suggest that no administration of any nation on the face of the earth can adequately solve the problems of that nation if they do not properly search out the enemy behind the scenes. Have our government done that? I think not. Instead, they have assumed that all is well with the human race. And so they strut around with their heads in the clouds, still believing that the moon is made of green cheese; they assume that the Canadian people are what some people term "a bunch of suckers", and proceed to spread it on thick.

I do not believe that we shall recognize the seriousness of the world situation until we also recognize that there is a tremendous battle going on behind the scenes of human affairs, and that battle is between the forces of right and the forces of wrong. That battle is between the forces of righteousness and unrighteousness, Christianity and anti-Christianity, Christ and anti-Christ. The sooner we understand that, the better. Then we shall recognize something of the tremendous struggle that is taking place for the survival of the human race. The battle that we must fight, if we are to be known as a Christian democracy, is a battle against evil, ungodly and satanic forces. I might say, Mr. Speaker, that the prize to be won in the battle is the human race. The ultimate objective of these forces of evil is the complete enslavement of the human race.

It appears to me that some of us are a bit lax in our thinking as we attempt to trace through the movements of the world and see in them the processes taking place, even before our very eyes, for the ultimate enslavement of the world. That is one reason I personally am against this clamour for world government. World government means only one thing—world enslavement.

What are the processes that are taking place? I shall mention one. I believe it was mentioned the other night by one of the other members of this group. These forces that are out to enslave the human race attempt to do so by dispossessing man of all that is rightfully his. One thing in our social credit movement that charms me is the fact that our one great plank is the establishment of man in his own right. How is this process of dispossession taking place? I shall mention a number of ways. In the first place, there is this terrible system imposed upon us by almost every government, the system of taxation which I will designate as legalized robbery or legalized dispossession.

We ask why governments tax, and they say: We must have money, and the only way in which we can get it is by taxation. Who said that was the only way we could get money? Mr. Abbott. Who told him so? Where has he been, and who has moulded his thinking? He might say: We have been taught that by the economists. If that is so, Mr. Speaker, these men who adhere to this taxation system have been taught to believe one colossal, gigantic lie. I would say that it is a national disgrace that learned professors of history, economics, money, banking and political economy, in our high schools and in our higher schools of learning, have not been and are not now telling us the truth. These so-called higher schools of learning have within them professors who have been taught by professors who in turn have been taught by professors; and over the decades of time one great big lie has been propagated.

To the question, where does money come from, ninety-nine out of one hundred of those you ask will give you the wrong answer. I say that the so-called higher education has degenerated into a system of colossal falsehoods perpetrated by professional, muddle-headed robots. I ask this question. Does the present Liberal administration believe that the only source from which they can get money with which to run this country is taxation? If they believe that, then they are a party to the lie. I turn to my Conservative friends and I ask them: Do you believe that the only source from which governments can get money is taxation? I ask our socialist friends to my right if they believe that.

I say to you that if political parties believe that that is the only source from which they can get money, then they are accessories after the lie. And all lies are evil, all lies are anti-Christ. This process of dispossession is gradually but surely taking place. I pose taxation as one of these methods of dispossession. It is gradually but surely taking place. The failure of the masses to sense the approach of their own doom is in accord with historical precedents. It was ever thus. Perhaps it is not expected that the people en masse will understand. Masses are swayed by emotional appeal, not by studious technical logic. The destructive forces know that and have already designated the people as the common herd. But we who sit in this house, men who are supposed to have intelligence, men who sit on the treasury benches guiding the affairs of the nation, men who have been highly regarded as those who ought to know; we men who sit in the house and in whom the masses have placed their confidence, are we so stupid as to fail to sense this situation and to see that, over the processes of time, eventually this taxation will dispossess each and every individual of that which is rightfully his?

Take our social service schemes, Mr. Speaker. Many of them are coming into operation. Some of them may appear to be legitimate and schemes which should be given legislative sanction, but in order to make these schemes effective they will eventually dispossess us of that which we have.

The other day we listened to the interesting speech of the Minister of National Health and Welfare (Mr. Martin). Undoubtedly he has in mind a great program. Undoubtedly he has been able to filch from the people of Canada by way of taxation enough money to give certain grants to the provinces in order

to bring into existence a better health scheme. It is hailed as a progressive step; but let us not forget that in that progressive step, because of the adherence by this government to a taxation system, a process of dispossession is taking place. Take our old age pension scheme. I do not even like to mention that they are old age pension schemes; they are glorified relief schemes, glossing them over with a certain respectability. I shall prophesy something. I prophesy that, when the Minister of National Health and Welfare brings in a new old age pension scheme, under which the old age pensions may be larger, and under which there may be some attempt to grant them without a means test, any new legislation he brings in along that line will be on a contributory basis. I make that prophecy, and I shall turn to this particular page of *Hansard* and read it to him when that day comes. If his scheme is to be on a contributory basis, then it will mean that this process of dispossession is gradually fastening itself upon the people.

During this session we have heard a good deal about pensions for the incurables. I happen to be greatly interested in that, for a couple of years ago I was instrumental in having something to do with the organization which now numbers its membership in the thousands, and is growing rapidly throughout Canada. I know something of what the minister will have in mind when he brings down some sort of relief for incurables. What he has in mind is that it must be on a contributory basis. In the first place, an incurable has not the wherewithal to contribute. Nevertheless, if it is to be on a contributory basis, then the process of dispossession is taking place.

We have other schemes. There is unemployment insurance. I am not going to say that under the present system of taxation an unemployment insurance scheme has not some merit in it; but I do say that that is also a part of the process of dispossession. We hear a familiar phrase being used in labour circles with respect to their pay envelopes. The phrase is "take home pay". We have so much "take home pay". All I ask is: "What is the matter? What do you mean by take home pay? Don't you take it all home?" My answer is: "Why not; is it not yours?" The answer I get is: "There is a deduction for this and a deduction for that and a deduction for the other thing. And now that our union has gone into politics there is a deduction for this and a deduction for something else", and so on and so forth. "All I have now is my take home pay." I ask: "What has happened to the rest?" The answer I get is that it has been taken from the labourer legally. But he did not say that they could take it. Did they consult the labourer? Do they consult the populace when they want to take this money from them? No, of course they do not. I say that the process of dispossession is taking place. If it goes far enough the take home pay will result in an empty envelope. There will not be anything for us to take home. If the process goes still further and we are dispossessed of our homes we shall take nothing home because we shall not have any homes to take nothing home to. That will be the situation.

Unless we get at the basic and fundamental origin of what all this fight is about, we shall never solve anything. It is a little secret. We have to learn that these forces which are out to wreck humanity are, in the first place, out to dispossess us of that which we have; and, when once we are dispossessed, we, the human race, become the slaves of a huge bureaucratic state. Let us make no mistake about that. Dispossession by means of debt, interest and taxation is a deep-seated plot to enslave the human race. Look at what we are headed for: state medicine. That is what we are headed for. State distribution of foods; that is what we are headed for. State labour; that is what we are headed for, if it keeps on. Under the socialization of industry, labour toils for the state. Let us make no mistake about that. When that process is complete, you have the human race in a state of slavery.

I do not wish to go out of my way to refer to socialist Britain. I am going to refer to it, however, because it appears to me that Britain, which we once called Great Britain, is no longer great. At least she is not great in the sense of being a great economic factor in the world.

An hon. Member: Nonsense.

Mr. Hansell: My hon. friend says "nonsense". I shall not break up my speech to answer all the interjections; but I have heard them often. These socialist gentlemen who say that should have been sitting in the house thirteen or fourteen years ago, when some of us first came here. I am not going to take time to reply to these interjections; but the debate on controls is not yet over. The last word has not yet been said. Someone will answer my socialist friends who sit immediately to my right.

I am not blaming them for Great Britain's state. I do not know that we should place too much blame upon the British socialist government today; I want to be fair. But what I am saying is that in this battle of the ages one of the objectives in the minds of

these forces of evil has been the destruction of a great empire. Let us not fool ourselves about that. And they are on their way; do not forget it. A socialized Britain is one step in the process.

Only the other day I read—and I had to smile when I read it—where a butcher in England was arrested for putting too much meat in his sausage.

Mr. Fraser: A skin game.

An hon. Member: You can read anything these days.

Mr. Hansell: That may be true. But what made me smile was that there was a day when men were arrested for giving short weight. Here is the case where a man gives more than he should. I know the reason; we all know it. Britain is in economic straits today.

Mr. Cruickshank: What about the horse meat of Saskatchewan?

Mr. Hansell: Food must be distributed adequately among the people. Furthermore, who has been one of the guiding lights in Great Britain for the past number of years? I know someone will say that Professor Harold Laski has nothing to do with the government of Britain today. But those who say that are not fooling me; he is one of the intellectuals who helped to mould socialist policy in Britain—yes, sir. This is the intellect who at one time was president of the British atheist rationalist free press association. This is the man who wrote the foreword to the communist manifesto by Karl Marx, the edition of the socialist party of America. This is the gentleman who wrote on the subject Why I Am a Marxist—and that is to be found in *The Nation* of November 3, 1939. This is the man who said that the defence of the soviet union is one of the highest duties a socialist can fulfil. And, if hon. members want to know where he said that, they may read it in the *New Republic* of October 30, 1935, page 339.

The Masses, a communist organ, in its issue of March 3, 1940, referred to Laski as a Marxist who acknowledges Lenin as one of the great leaders and thinkers of all times. May I read what was reported of a speech he made in the *International Review* of January, 1931. This is part of an address he delivered before the Royal Institute of International Affairs, at London:

> It follows there must be constructed in the state a revolutionary party, that this revolutionary party must be prepared to take over the reins of power, that it can only maintain itself in office as a result of dictatorship, that the strategy of dictatorship is the organized control of the whole machinery of social life; religion, which is merely the opium of the people; education, which is the clear foundation upon which the minds of the people can be controlled; the whole of these social services, which in their prewar form could not be trusted to serve the revolutionary state; the army, which is now the mere executive arm of the capitalist class; the navy, the air force, and other matters of that kind. That dictatorship, being a revolutionary dictatorship, will deal with all opposition so as to annihilate its consequences.

That is the mentality of those who are perpetrating a great scheme for the eventual enslavement of the human race.

The question arises: What are we going to do about it? It is not enough to cry Thief, thief! It is not enough to rave against communism, and to speak against it. Communism is the political philosophy used by the enemy behind the scene. It is what I call the anti-Christ front. I say again it is not enough to rave against communism. I heard the leader of His Majesty's loyal opposition (Mr. Drew) speak only a few days ago. He made a good speech, in which he warned the country against communism; but warning the country against communism is not enough.

My Progressive Conservative friends should learn a lesson from the by-election which took place in Hammersmith the other day. Mr. Churchill went out, hammer and tongs. What did he do? What did he say? He used a lot of highfalutin phrases. He used his Churchillian oratory to move the masses. But there was one thing Churchill failed to do: he failed to present to the voters any effective alternative. And because he failed to present that alternative, the people were taking no chances.

That is the situation. Let us face these things fairly and squarely. I say it is not enough to rave against communism. The only way to stop the enemy dead in his tracks is to make our way of life what it ought to be. My friends who sit on the treasury benches have not learned yet the method they must follow if they wish to make this country what it ought to be. And let me say this: When we oppose communism let us remember the events of civilization never reverse themselves. They may vary up and down like the waves of the sea. But let me tell the house this, that you will never drive communism back from the advances they have now made in the world. Civilization has not marched throughout the centuries of time in that way. If all we are going to try to do is to simply rave against this evil thing, then I am afraid we are attempting a task that is doomed to failure. As I said before, the only way to stop it is to make Canada what it ought to be.

I have recently been reading a book entitled "World Communism Today" by Mar-

tin Ebon, who I fancy is a communist and who certainly is not afraid to remove the mask. The question is asked, "Can communism win the battle for world domination?" and the author replies, "Let us be frank. Yes, it can". He then proceeds to show that the coming test of communist strength will develop when the next serious economic crisis spreads across the globe, and this is what he says on page 464:

> Communism is organized desperation. It does not need the weapons of war to achieve its aims, although it may use them as collateral or alternative tools of revolution. Hunger and despair can be as effective as the most devastating weapon of war. As President Harry S. Truman said on March 12, 1947, when he asked the United States Congress to support Greece against communism, "The seeds of totalitarian regimes are nurtured by misery and want. They spread and grow in the evil soil of poverty and strife. They reach their full growth when the hope of people for a better life has died."

The author continues to assert that when the next depression comes communism will be ready for it. In the long-range view of the intellectual communist, together with the strategists, the machine is already geared and set for when that time comes. The author of this book quotes from an article in *Pravda* by Dr. Eugene Varga, who is director of the soviet institute for world economics and world politics. Dr. Varga said:

> The fear of a new approaching economic crisis is beginning to be felt in the capitalist world . . .
>
> The general crisis of the capitalist system, as pointed out by Comrade Stalin, has changed the cyclical process of capitalist production in the sense that the phases of crises and depressions have become longer, and that a depression is followed only by a phase of revival, but not by a phase of full prosperity.

And then again, continuing the quotation from Dr. Varga:

> The coming economic crisis in the United States will inevitably have a tremendous effect upon the situation in other capitalist countries. . . In capitalist countries the transition from war to peace is always bound up with narrowing markets, decline of production, closing down of industrial enterprises, and growth of unemployment. Only the Soviet union does not know such phenomena. In the Soviet union there is no anarchy of production, characteristic of capitalism, which leads to the rotation of periods of boom and crisis, which shake the very foundation of the economic system and create a constant uncertainty among the working masses as to their future.

It might be well if we paid just a little attention to what some of the intellectuals in the Marxist machine are thinking and are even warning the democratic world about. Our government carries on the same old *laissez-faire* sort of administration.

Mr. Blackmore: Unteachable.

Mr. Hansell: It is an unteachable government, a government that will not answer direct questions when they are put to it. How often have we heard the hon. member for Lethbridge (Mr. Blackmore) put one, two, three, four, five, six or more direct questions to the Minister of Finance (Mr. Abbott) and say, "Answer those." But he has turned a deaf ear.

Mr. Blackmore: Two deaf ears.

Mr. Hansell: He remained silent. Why? Because he did not know. Because he is a victim of lying propaganda.

Mr. Blackmore: Because he did not care.

Mr. Hansell: Because he did not care. One of these days it will be too late. Let us remember that, when once a nation is enslaved, it is enslaved forever.

Mr. Blackmore: The Minister of Finance will be enslaved along with the others.

Mr. Hansell: Let us remember that the communist high command, the communist intellectuals, have their hands on the pulse of the world's heart throb. They stand in readiness while we let things move along and take their course. What are we going to do about it? A year ago I heard the Minister of Labour (Mr. Mitchell) make a remark. I have great respect for the Minister of Labour but I do not regard him as one of the intellectuals.

Some hon. Members: Oh, oh.

Mr. Hansell: I want to tell you that if you listen to the intellectuals you will go wrong every time. My regard for the Minister of Labour is based upon my belief that he is a practical man with a great deal of common sense, a man with a sort of homespun philosophy. He said that we are on the verge of a new civilization. If we are on the verge of a new civilization, what kind of civilization is it going to be? It is going to be either a civilization of slaves or a civilization of free but economically secure people. It must be one or the other.

Since the Liberal government are in power it is their duty to see that we move into that age of freedom and security, an age where men can live, where men are free, where men will be in possession of the good things, of the good earth which has been abundantly bestowed upon us by a good God. Is this government able to bring us into that age? Judging by past experience, I think the answer would be, "Absolutely no."

If I were to ask the same question of my Conservative friends I would first tell them that it cannot be done by simply paring a bit of taxation off here and firing a few hundred civil servants, and putting something somewhere else, patching up here and patching up there. The old system needs no patching;

the old system needs to be superseded by something that will bring on that glorious age.

I notice, Mr. Speaker, you have your hands on the arms of your chair, which is indicative that you are about to rise and tell me that my time has expired. The subject matter that I have at hand is almost endless, for the battle of the ages has been taking place since the dawn of mankind and will continue until we learn what it is all about. Otherwise we shall never be able to solve this nation's problems or the problems that face a befuddled world.

Mr. L. Philippe Picard (Bellechasse): Mr. Speaker, it is really too bad that the people who were here at three o'clock were not present a moment ago to listen to the hon. member who preceded me. They would have learned that at least one party in the house has a monopoly on knowledge, and a monopoly on prophecy.

Mr. Hansell: You could give some indication you have some.

Mr. Picard: The galleries were filled with people who came here expecting fireworks, but the fireworks did not materialize, and the fire petered out—

Mr. Low: You are putting water on it now.

Mr. Picard: —as will the bonfire that has been lit before, and is being lit again throughout the country by propagandists of the Progressive Conservative party. As Confucius said, "glamour is exciting to some but it is oftentimes shortlived".

The mover (Mr. Brown) and seconder (Mr. Demers) of the address having discharged their tasks well, it is fitting that I join my voice with those who have preceded me in extending to them my sincere congratulations. To the Prime Minister (Mr. St. Laurent), who has assumed office since we last met, I wish to pay a tribute of admiration, and to give assurance of my loyal support as a member of the party that he has been selected to lead. The Prime Minister succeeds a man whose name will be associated in history with those who made confederation possible, like Macdonald and Cartier; he succeeds a man whose name will be associated with those who led it on its path toward complete autonomy, like Laurier; he succeeds a man who held office for the longest period known in the countries of the commonwealth, and who, more than any other Canadian, contributed to make Canada a sovereign state. As leader of his party he succeeds two great men, Laurier and King, who for sixty years guided its destinies with rare sagacity. As chief exponent of the views of Canadians of French descent, he succeeds Laurier and Lapointe, whose broad views have helped to build unity and a better understanding among the descendants of the two great races of the country. The Prime Minister has the talent, the ability, the courage, the inspiration, and the breadth of vision that make of him their worthy successor. It is with great pleasure that I offer him my sincere congratulations and my cordial wishes for a long tenure of office.

My congratulations also go to the leader of the opposition (Mr. Drew), and the Minister of Justice (Mr. Garson), who have already made a valuable contribution to the public life of the country in their respective provinces. I also want to associate with this tribute another newcomer to the house, the Secretary of State for External Affairs (Mr. Pearson), who has ably served the country in high diplomatic posts. All these men have already taken part in our debates, and have proven valuable additions to parliament. In my opinion, the brilliant speeches of the Secretary of State for External Affairs in this debate, as well as on the Newfoundland issue, have justified the confidence put in him by the former and the present prime ministers.

At this point I wish to avail myself of the opportunity to thank my good friend and colleague from Temiscouata (Mr. Pouliot) for having noted, during his speech on the Newfoundland bill, that I had been the first among the members now sitting in this house to advocate the return to Canada of all or part of Newfoundland. His words were all the more appreciated as it is indeed rare that a member pays any tribute to a colleague in this manner, and I wish to thank him. In order not to delay the passing of the bill for the union of Newfoundland with Canada I forsook the opportunity to speak on the question, but for the record may I refer hon. members to *Hansard* of February 17 and May 11, 1943, when I expressed my views on the matter.

The two main points of the speech from the throne deal with our position in world affairs, and the economic situation facing the country. I intended today to devote my time to certain aspects of these two questions, considering them of the utmost importance, and transcending all other questions of no less interest to the electors of the country, but certainly of less bearing on the future of Canada. In view of the trend of the speeches delivered by members of the Progressive Conservative party, I feel that it is my duty to deal with some of the issues they have raised in the present debate.

I think it is highly indicative of the methods employed by their party that a man of the reputation and the standing of the leader of

the official opposition should find nothing better, at a moment of great importance in the history of this country and of the world at large, to choose as the ground for his first attack on the government after his arrival in this chamber, than a question decidedly more intended to draw votes than pertinent to the importance of the hour. It is fortunate, however, that it gave the Prime Minister an opportunity of administering an appropriate rebuke to the propaganda methods of the Tory party which have not failed in the past to distort facts and displace issues just as they have done on the question of dominion-provincial relations.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at seven-thirty o'clock.

Mr. Picard: Mr. Speaker, at six o'clock I was about to say that, in his first contribution to federal parliamentary life, the Conservative leader did not give his attention to problems related to the security and economic stability of our country. By the scope of his approach to the problems facing Canada at this moment or lurking as the problems of the future, a man's contribution to parliamentary institutions should be judged. On this score, after hearing the leader of the opposition (Mr. Drew), I have not gained the impression, nor do I think the country has gained the impression, that he is the mental giant his propagandists have pictured him.

I might say that, on the same basis of judgment, the leaders of the two other opposition parties, although I do not share all the views they expressed, have shown themselves far superior in their approach to the vital problems of the hour and in their concern for the questions which at the moment should be foremost in our mind. They appeared to understand that above petty political tactics they had to consider the fate of our country as affected by the turmoil of world politics and the precarious position we might find ourselves in within a not too distant future if we cannot bring about a correction to the insecure economic position we are gradually heading for owing to the complete collapse of the present means of exchange among nations and to the chaos prevailing in world economy.

By his speech in this house, the leader of the opposition has shown the country he is not so interested in the vital issues that should be the subject of our attention as he is in stirring up issues which he hopes will help him to be regarded by some sections of the country as the defender of their rights, rather than as the man who uttered so many statements he would today prefer to forget. The leader of the opposition evidently did not grasp the objections raised by some members about the choice of his line of attack, when he took great pains to explain on Monday, February 21, that he had the right to raise points which were not mentioned in the speech from the throne. He referred to the question of dominion-provincial relations. No one questioned his right to do so, but we did question the propriety of doing it when there were so many questions to be considered of vital importance to the country.

His second line of attack derived from the first, and contained references to threats to the autonomy of the provinces—another warhorse he shares with his friend Duplessis. I must point out to the few Conservative members who are in the house that, in speaking thus, I am not taking anyone by surprise. I commenced my speech before six o'clock when the leader of the opposition was in his seat and he knew I would be continuing in this vein after the recess.

Mr. Robinson (Bruce): Would the hon. member permit a question?

Mr. Picard: I usually do not permit questions from the Conservative side because they turn out to be long-winded speeches, but if the hon. member has a short question to ask I will accept it.

Mr. Robinson (Bruce): Would the gentleman be kind enough to tell us from what he is reading?

Mr. Picard: I am reading from notes I have prepared for this speech, and in doing so I am not doing more than has been done by the members on the other side of the house. I dare the member to read as well as I am doing.

The leader of the opposition (Mr. Drew) reverses himself without changing from his previous stand, hoping that people will believe in the conversion proclaimed by him. I would ask the member who interrupted me to inform me the next time he makes a speech so that I can make sure he really does make a speech and does not read from something prepared by his leader. No one in public life has been caught in so many contradictions as has the leader of the opposition since the opening of this session. What faith can the people of Canada have in a man, no matter how clever he may be depicted by his propagandists, who in such a short period of his life has put himself on record with so many conflicting and contradictory professions of faith on national issues.

I need not go into details. The house and the country still have fresh in their mind all the questions on which the leader of the opposition has been shown his inconsistencies

since this session has started. His trying to make the people of Canada, and in particular the people of Quebec, believe that the Prime Minister has sinister intentions against the autonomy of the provinces and his attempt to build himself up as the hero defender of minorities remind me of the story of the man who, after looting a store, was pursued by the owner and his clerk. Seeing a policeman at the corner, the thief pointed to his pursuers and shouted: "Arrest these men, they have robbed me!"

The leader of the opposition after having proven himself, in company with Premier Duplessis, as the man who did the most to scuttle the dominion-provincial conferences, now turns to the Canadian people and says, pointing to the past and present prime ministers: "They did it." And his cohorts repeat as one man, "They did it." But that is not enough for the member for Carleton (Mr. Drew), so he asks his supporters to depict the Prime Minister as the enemy of his own racial group. This is done in the hope that he—the man whose publicists must work hard to explain or refute some of his bright sayings of a few years ago, which he never denied at the time—might emerge from this as the new saviour of the rights of minorities and the new friend of the same province of Quebec.

This is just a farce, Mr. Speaker, but a sad one when you see the leader of the opposition interrupt the Prime Minister during a quotation he was giving the house on January 31, and say in a most insinuating way: Mr. Prime Minister, was it not in the same speech that you dealt with the subject of language and the right of this parliament to deprive any group in this country of a particular language if it was felt that should be done? What a method, Mr. Speaker! What a system of deliberate insinuation! Yet the statement made by the Prime Minister after the insinuating question by the member for Carleton was clear and well-defined, and his stand consistent with the terms of the constitution and the intentions of the fathers of confederation.

I need not go into details of the masterful exposé of the question the Prime Minister gave earlier in this session as it is still present in the minds of hon. gentlemen of this house, as it is in the minds of those who read its terms in the daily press.

The Prime Minister spoke with courage in 1946, as he did in this debate. The people of Canada will see the difference between his straightforward answer and the dubious methods of the Tory party. The more he is attacked by such methods, the more the Prime Minister will gain the respect and confidence of the country by his truly national attitude.

(Translation):

As for his fellow citizens in the province of Quebec, they will not be taken in by such deceitful tactics. At almost the very moment when Mr. Duplessis' spokesman and the leader of the opposition (Mr. Drew) were being moved to pity at the very thought of the dangers that the Prime Minister's attitude might cause to the French language, two important associations of the province of Quebec, the Société Saint-Jean Baptiste of Montreal and the Société de la Survivance française expressed their confidence in the Prime Minister in no uncertain terms and acknowledged his fondness for the French language. I now wish to read the text of the messages which were forwarded to the Prime Minister:

The general president and general directors of the société Saint-Jean Baptiste of Montreal were very pleased to learn about your official visit to the Canadian metropolis. The Société Saint Jean Baptiste of Montreal, the national organization of the French Canadians, would very much appreciate the honour of an hour's visit with the general council on March 5 or 6 next on the occasion of a reception organized in tribute to a compatriot who, having become the Prime Minister of Canada, proclaimed through his energetic example the rights of the French language in the House of Commons.

Please accept our warm congratulations and our cordial invitation.

(Signed) Arthur Tremblay,
General President of the Société Saint-Jean Baptiste of Montreal.

And here is the one from the Société du Bon Parler français:

To the Hon. the Prime Minister:

The Société du Bon Parler français deems it a privilege and a most pleasant duty to congratulate you for having recognized the bilingual character of Canada in giving more prominence to the French language in the House of Commons when the new session of parliament was opened.

We are confident that we express the feelings of all French Canadians in assuring you of our most sincere and patriotic gratitude.

Most respectfully yours,
(Signed) Jules Massé,
General President.

Such an answer from the province of Quebec ought to satisfy those who, in this house or elsewhere, try to represent the Prime Minister as an enemy of the French language.

Does not that prove that the Prime Minister's compatriots are aware that he has at heart the safeguarding of their rights and that he will not fail to uphold them should they ever be seriously threatened?

(Text):

As to possible threats to rights given to them by article 133 of the British North America Act, from which party would they come in this house and in parliaments to come? It surely could not be from the Liberal party, which has been for more than sixty years their haven of refuge when they

were attacked and ignored elsewhere. It surely could not be from the Liberal party, which has twice in its history since confederation entrusted its leadership to men of their race who have shown, and again show, an extraordinary sense of national spirit and understanding and a broad outlook on national and external affairs. The first of these has by his strong personality and his foresighted vision led Canada from the status of a colony to that of a dominion; the second has gained, since his entry into politics, the respect and admiration of his fellow citizens from the Atlantic to the Pacific, having promptly demonstrated since his accession to the premiership that he has all the qualities of a truly great national leader. It surely could not be from the Liberal party, whose aim has always been never to discriminate against any element of the population and to give all a fair representation in the councils of state. Canadians of French origin know that they have nothing to fear from the Liberal party in the matter of rights given to them under article 133. I do not think they need to fear, either, any encroachments on their rights by the C.C.F. party. Although this party has no representatives of French origin in this parliament, it has followers among French-speaking Canadians; and they have shown a broad enough outlook on national questions not to have their sincerity and good faith on such matters questioned. Neither do I think they need to fear the Social Credit party, be it only because of the fact that a certain sect of the same political creed is making a bid for support in many parts of Quebec.

Could it be that my hon. friends feel remorse for the past of their own party, and think that Canadians of French descent might come to share the uncomfortable feelings of the Conservative Quebeckers as expressed in this house by the former member for Gaspe, whose pronouncement on the matter was quoted in this house lately by the hon. member for Champlain (Mr. Brunelle)? Could it be that they believe their fellow Canadians of French origin will long hesitate before trusting the new deal offered by their new leader to Quebec in an attempt to gain their support?

If one looks back to the attitudes of so many Tories in past parliaments, it would be enough, of course, to make French-speaking Canadians ill at ease as to the fate of their language. The remarkable thing is the manner in which history tends to repeat itself at times. The leader of the opposition and his advisers are evidently working on this assumption. Fortunately, however, the patterns of historical events may vary in their shape. It is with the object of preventing a repetition of past mistakes that we on this side of the house must now fight to open the eyes of our own fellow citizens so that they may not remain blind to the artifices of the Tory party. It is evident from their behaviour since their last convention that the Tory party had set its hope on having at this time a repetition of 1911. From one end of the country to the other a publicity campaign tries to sell the new leader to the people, and the air waves are resounding with grandiloquent phrases of the man and his gift for solving all our problems; but nowhere more than in Quebec has this outburst taken the shape of a concerted effort to show the man as the hero of minority rights.

Mr. Brooks: How about Nicolet-Yamaska?

Mr. Picard: My hon. friends will get the answer of Nicolet-Yamaska when the general election comes along.

Mr. Brooks: We have already had it.

Mr. Picard: You will then not have a man who says: I will not show my leader. You will have a man who will be obliged to show his leader. When he shows him, he will have the whole of the people of Quebec answering him in a proper way, and you will see the result.

It is evident from the behaviour of the members of the party opposite that since their convention they think they have obtained a new strength and think they may make the people of Canada believe they are new people. But neither the people of Quebec nor the people of Canada will be caught off guard.

On the other hand, a powerful attempt is being made to try to discredit the Prime Minister in the eyes of the inhabitants of his own province, as was shown in Nicolet-Yamaska, to which my hon. friend referred, when the Conservative candidate was surrounded by isolationists like Sauriol. These people who claim to be Tories and Conservatives ought to be ashamed to mention the name of Nicolet-Yamaska when the campaign in Nicolet-Yamaska was not fought on Conservative grounds but on isolationist and nationalist grounds, with the help of the isolationists in Quebec and with the help of Sauriol, who at one time might have been in jail instead of being free.

Mr. Brooks: That is something hon. members opposite have been doing for years.

Mr. Picard: The strongest alliances and the strangest alliances have been made in Quebec. In Quebec you see Mr. Chaloult, whose extremist views are known to everyone in this house, saying from his seat in the legislature that, although Mr. Drew was an "imperialist", he was confident that the fate of

French Canada was safer in his hands than in those of the Prime Minister whom he called a "colonialist". It is the same line of attack as was hurled at Laurier in his own province in 1911. But let not my hon. friends be deluded. The people of Quebec have so greatly regretted the ingratitude they showed Laurier at that time that they will not be duped today. They have now learned their lesson, and they know that the men who are leading the two major parties now can be known to the country just by the way they have behaved in this house since we opened our deliberations. They can distinguish very well between the Prime Minister, who has shown himself to be a statesman of the first ability and of the first magnitude, and the leader of the opposition, who has tried at all times to raise prejudices and to bring about in Quebec a sentiment that would make him appear—after what he had said in the past—what he would very much like to be, the saviour of Quebec. It is a shame and a farce, and my hon. friends know it.

The method of amending the British North America Act, which has been criticized in this house during the recent debate, and which during the past two years has been made a political issue by the Conservative opposition, has been covered authoritatively by so many on this side of the house that I do not need to repeat their arguments. But, when they want to pose as saviours of minority rights and of provincial rights, it is interesting to note that of the ten amendments that have been made to the British North America Act, strange as it may seem, five have been brought in under a Conservative administration and five under a Liberal administration.

Of the five amendments under a Conservative administration, in no single case was the consent of the provinces obtained; yet today my hon. friends are trying to invoke the pretext that we should ask the provinces to approve of everything that is done in the house in the way of amendments to the constitution. In 1871 the question of establishing the western provinces arose, but nobody on the Conservative side in the house asked that the question be referred to the provinces. Halton and Mackenzie, both Liberals, asked as a first safeguard that the house should pronounce its views before any representations were sent to London. David Mills, another Liberal, representing the constituency of Bothwell at the time, asked that the provinces be consulted, but they were not, and that was under a Conservative regime. In 1886 the question of representation of the territories came up and the Conservatives did not consult the provinces. Another important question came up in 1915. Hon. members will say that I previously referred to matters dealt with long ago, but 1915 was not so long ago, and my hon. friends were in power. An amendment to the British North America Act was asked for to increase the number of senators and to provide for Newfoundland senators. That was a question exactly similar to the question of 1946, the redistribution of seats in this house, and yet no consultation was held, and none of the provinces were asked to consent. The same thing happened in 1916 when the question of lengthening the term of parliament was under discussion. There was no question then of having the consent of the provinces. My hon. friends will say that that was during the war and that we had to do it by act of parliament. But we, the Liberal party, went twice to the people during the war and twice we were returned to power by the people of Canada.

It is also to be remembered that when my hon. friends opposite discovered there was a question of provincial rights it was in 1946 when the question of allowing more equitable representation to Quebec came up. Those who claim to be the friends of Quebec today will say, of course, that it is just a coincidence. It is evidently just a coincidence that they suddenly took such care for the welfare of the provinces when the government had decided to establish representation in the house according to population. It is to be noted that this bill corrected a grave injustice as far as Quebec is concerned and gave that province eight more seats. Could it be that the concern of the hon. gentlemen opposite for the rights of the provinces sprang from a desire to have this bill submitted for the approval of all provincial legislatures and thus prevent its coming into force? Is it not within the scope of normal deduction to believe that the then premier of Ontario would have opposed the bill giving eight seats to a province upon which he had been showering aspersions barely two years before?

I am willing to let impartial students of history decide whether this great concern for provincial rights did not come exactly from the opposite intention, that of preventing Quebec from getting its due proportional representation.

At this point I think it is opportune that I make my stand clear as to the advisability of Canada having a constitution more in keeping with its dignity as a sovereign state, member of the council of nations. I have already expressed my views in this house. I did so in July, 1946, and I refer hon. members to pages 2482 and 2483 of *Hansard* of that year, where I said:

A constitution is the basic and most important feature of legislation that any country may enact.

A constitution is the foundation-stone of a state; it is the compound of general principles that govern the political life of a country.

"The constitution of each state is always the result of a compromise between existing political traditions and the general principles of constitutional law, and its elaboration and drafting are of the competence of juridical science. Constitutional law is not something immovable; it is modified by the march of ideas and of political events."

It is evident that as long as Canada does not have a constitution enacted in Canada by Canadians there will be international jurists to argue that we lack one of the elements of sovereignty. It is also true that until in that new constitution provisions are made for amending it, situations such as the one which existed in 1946 and today will surge in this house and in the provincial legislatures. It is also evident that, unless this problem is tackled seriously in the near future, the question of provincial prerogatives will be made a political football by parties who can find no better issue to court the favour of the public.

The constitution, needless to say, should not be the work of this parliament alone, and I do not think either that we should proceed by adopting a draft constitution and then refer it to the provinces. The drafting of the constitution should be entrusted to a special constituent assembly formed for that purpose. An opinion on the matter which I quoted in 1946 is that of Dr. Beauchesne, who said in 1935 before a committee of this house:

I submit that a constituent assembly, chosen by the provincial legislatures and by the House of Commons, representing the main political parties and groups in proportion to the votes given at the last general elections, should meet in session and discuss the constitution from all its angles.

It appears to be a wish generally expressed that the British North America Act serve as a basis for this new constitution. One of the important decisions then to be given will concern the method of amending such a constitution.

Numerous constitutional authorities have dealt with this question. I commend particularly the splendid book of Dr. Maurice Ollivier, "Problems of Canadian Sovereignty". Whichever way the problem is approached, whatever may be the concrete proposals for the enactment of a constitution, whatever the method provided to amend it in later years, the most important consideration will have to be given to the forging of a charter that, while respecting the principles of the act of 1867, while upholding the guarantee given to minorities, shall permit the development of a strong and united Canada, free of the grounds for petty argument such as we have had so often and which we have witnessed in the present session in the ranks of the Conservative party.

May I conclude this part of my remarks with the words I used in 1946:

In conclusion, may I say that Canada has reached the adult stage. She has emerged from the war as one of the very few creditor nations. She is now the third largest trader in the world. She has a role to play in the after-war commensurate with her new stature. She has outgrown her outmoded, colonial style constitution, and it is time for her to assert her national will and to take her place among those nations of the world which have elaborated constitutional monuments as their basic law. Canada owes it to herself to nominate a constituent assembly and to draft a new constitution. How fitting it would be if the party which has always been to the forefront in the enactment of forward and emancipated measures and the Prime Minister (Mr. Mackenzie King), who has attached his name to so many progressive moves and who has for longer than anyone led our country through war and peace with such ability, should initiate the necessary steps to give the people of Canada a long-awaited Canadian constitution.

Time, and the pressing urgency of the war and of other matters, have not permitted the former Prime Minister to realize this project. It is my hope today that the present Prime Minister (Mr. St. Laurent) will attach his name to that great work, namely, the negotiation and enactment of a truly Canadian constitution.

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but he has exhausted his time.

Mr. Picard: With all due respect, I have a few more minutes coming to me.

Some hon. Members: Time. Unanimous consent is not given.

Mr. Speaker: Order. I am sorry, but unless the hon. member has unanimous consent he cannot continue.

Mr. Picard: A move of the leader of the opposition came to light last week, and it is quite in line—

Mr. Lennard: Time.

Mr. Picard: Thanks ever so much for the broadmindedness.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, in the past year many important events have taken place. One of those here at home which most impressed itself upon the people of British Columbia, and possibly the people of Canada, was the flooding and devastation caused by the great rivers of British Columbia overflowing their banks last May and June.

I have mentioned this at the outset for two reasons; first, because later in my remarks I want to draw attention to the matter of floods and the necessity for flood control; and also because the fact that these floods occurred at all last year, and are apt to occur again this year, is the result of one more failure of this government to deal positively with the issues

confronting it. I say that advisedly; because if the record is consulted it will be found that for two years prior to last spring I had spoken on the necessity of having a survey made of the Fraser river system through the joint operation of dominion and provincial authorities, with a view to developing a project or projects to provide under one scheme for power, irrigation and flood control.

I have urged for several years that the Prairie Farm Rehabilitation Act be extended in a large way to our province, and that the engineers under that act, in conjunction with engineers of the federal Department of Public Works and provincial engineers, should undertake a full-scale survey, and the construction of projects which would serve the three purposes I have mentioned. Had we done that we would have provided at one and the same time for national development and national safety. But until this last fall, when we had a national disaster, nothing was done.

Even today, what is being done is likely to be another example of "too little and too late". I shall return later on in my remarks to deal in detail with the requirements in connection with power and flood control projects. At this moment I mention the government's failure in the matter as one of the most glaring examples of that lack of action and lack of leadership which so clearly afflicts them, and which so strongly supports the amendment we are discussing tonight, one of want of confidence in the government.

Other failures of the government could be mentioned, after a reading of the speech from the throne. For instance, there is the failure to indicate any intention to set up a standing committee on veterans affairs. There is the fact that again for another year there is to be no provision for a standing committee on national defence. It has been urged by hon. members of this party that both these branches of public activity should be the subject matter of the deliberations of standing committees of the house, so that these continuing national problems would not be left to be dealt with in a haphazard manner by way of emergency developments, but on the contrary would be the subject of continuing scrutiny, development and attention in accordance with their needs.

Then, the speech from the throne makes no reference to any program for the development of resources. I have referred to the power, flood control and irrigation requirements of our own province. The speech makes no mention of a national marketing act. True, we have before the house at the present time a scheme to extend the arbitrary powers of the Minister of Agriculture in respect of certain commodities; but we have no indication with respect to the Natural Products Marketing Act which is so widely demanded and needed by the agricultural producers in every field of agriculture in Canada.

There is no mention of necessary tax reform; no mention of reform in the method of collection of taxes, or in the method of assessment—and particularly with respect to agriculture. There has been no amendment, so necessary and so just, in the manner of assessing and collecting penalties—assessing the interest on arrears when the only fault has been that the department had been late in making its assessment. Finally, there has been no mention of a provision to implement what we have been awaiting for three years, namely the principle of the basic herd. It is true that, as a result of conferences which have just been taking place, this matter may have finally been ironed out. But we must remember that the matter has been under consideration for at least five years, and has been under active debate in the house for three years. Yet the principle has not yet been applied; with the result that many farmers, elderly men, who have contributed so much to the development of this country, have been unable to sell out and unable to retire; or, if they have taken that step, and have retired, they have had to hand over by way of income tax anything up to 50 per cent of the proceeds. It is gratifying to hope that the basic herd principle has been finally worked out; I should hope we would hear a statement clarifying the situation in the course of the next week—and not later than that—from the Minister of National Revenue (Mr. McCann).

Then, again, there is nothing definite in the speech from the throne about the trans-Canada highway. It is true that we have announcements from time to time, pried as it were out of the minister by a shoehorn process. These are announcements with respect to meagre developments in the construction of a trans-Canada highway. But there is no indication that the government has a trans-Canada highway policy.

I should like to refer to that matter in some detail. For three years there has been standing in my name on the order paper a resolution advocating the development by the federal government of a highway policy, the appointment of a highways commission, and the commencement of immediate negotiations with the provinces leading to dominion-provincial co-operation on the construction and maintenance of trans-Canada roads. Then, there has been another resolution, in the name of the hon. member for Cochrane

(Mr. Bradette), which has stood on the order paper for three years with respect to a particular road.

I first tried to discuss the matter three years ago when the estimates of the Department of Transport were under consideration. I mention this only to show what a reversal there has been in government policy on this point. When I sought to bring it up in the discussion of those estimates the suggestion was made by the minister that such discussion was entirely out of order. He said there was nothing in his department which provided for trans-Canada roads, and that therefore nothing could be discussed. I pointed out that what I wanted to discuss was not what might or might not be in the estimates, but the fact that there should be a provision for the construction of a trans-Canada road. However, as suggested by the minister at that time, the discussion was ruled out of order.

So, for the next two years, I placed the subject matter before the house by way of a substantive resolution on the order paper. It will be recalled, however, that for the last three years the government has felt that it has been so much better qualified than the people themselves, not only to spend the people's money, but to direct every phase of the national life, that no time has been provided for the discussion of private members' resolutions. For the last two years debates on private members' resolutions have not been allowed in the house. For that reason it has not been possible to discuss this matter as a separate problem.

Last year, however, another attempt was made to discuss it when the estimates of the Department of Reconstruction and Supply were before the committee. That discussion was reported at page 5497 of *Hansard* for June 19, 1948. The minister, who is now the Minister of Trade and Commerce (Mr. Howe), was questioned by the hon. member for Portage la Prairie (Mr. Miller), the hon. member for Vancouver South (Mr. Green), and other hon. members on this side of the house, including myself. In answer to our questions, he took this position:

> There is no policy which provides for contributions from the federal government toward the building of any highway at the present time—except by special arrangement; and that is usually confined to the opening up of new areas.

That was the position he took then. In reply to a further question he said:

> If we see any sign of widespread unemployment we will proceed to make a blueprint. But at the present time we have not a blueprint and we do not think one is necessary.

If those words are taken at their face value it must be assumed that last June the federal government had no plan for a trans-Canada highway or indeed any sort of federal road system. Then, as a result of further questioning, the minister became somewhat more definite in his replies and somewhat more disinclined to give any countenance to the discussion, and he ended by saying:

> I can give no commitment about any highway, and I do not intend to answer any questions.

From that time onward he remained silent until the matter of the trans-Canada highway was no longer under discussion, at which time he became alive again and answered questions dealing with other matters. That was the government policy up to June, 1948. Bear in mind that hon. members on this side, and the public generally across Canada, were expressing an increasing demand for the construction of a trans-Canada road and the development of a system of federal aid for highways.

The suggestions which we made, which I believe were sound then and are still sound, were in effect that there should be established a system of federal aid along the line of that prevailing in the United States of America. Under that system the federal government, in co-operation with the provinces, would work out a system of roads to be constructed and maintained by the provinces, with the dominion bearing part of the cost.

Then we find that in December the Minister of Mines and Resources (Mr. MacKinnon) called a conference of public works officials from the provinces to discuss a trans-Canada road. One might ask the reason for this change in policy. Are they opening up new areas? There is no sign that this is what they have in contemplation. Is it because they see signs of widespread unemployment? Those were the criteria laid down last year by the Minister of Trade and Commerce. Is it merely to serve these two purposes that they have now decided to build a trans-Canada road? I doubt if any minister who is present or who heard that statement last year would make that answer at the present time.

I suggest that the change in policy has come about as a result of the pressure which has developed owing to the lack of action on the part of the government. It has come about as a result of a widespread demand which even they can no longer ignore. The government has finally realized that it is time to proceed with this program. This is just another example of the time lag which occurs when the government is dealing with national need and the demands of the people.

Even here we find that they are only going about it in a half-hearted manner. What did they do? They called the provincial authorities here last winter, and as far as we can

make out, from the limited information we have been able to pry out of the government, they said, "We will make a certain contribution toward the construction of a trans-Canada road; you go home and make your subsequent proposals."

As far as one can make out, there has been no lead by the dominion government. There has been only the barest degree of co-operation toward meeting what is a widespread demand and a real necessity. They have not developed a trans-Canada highway policy. There is no suggestion of a continuing commission. There is no suggestion of the working out of an integrated system of federal-aid highways. There has been nothing but the minimum of concessions in connection with this important matter, which would mean so much to the development of this country.

The very fact that trans-Canada roads are ignored in the speech from the throne, the fact that on this question the government still is not aware of the needs of this country with respect to the development of our resources, with respect to national defence, with respect to the tourist trade, with respect to co-operation with the provinces, supports fully the motion of lack of confidence which is before us.

Another important omission in the speech from the throne is the complete failure to mention dominion-provincial relations. I mention this not for the purpose of going into the details of the controversy as to who was responsible for the breakdown of the conference in 1946; I do it because there is a genuine need for a further dominion-provincial conference to consider and settle matters left outstanding at the last conference.

Matters have become confused and an increasingly unbearable burden has been imposed upon the financial resources of the provinces because all the major tax resources have been gathered exclusively into the hands of the federal government and the provinces are finding themselves more and more unable to meet their authorized requirements without recourse to unnatural and unpopular modes of taxation.

One might just mention in passing that there is a good deal to be said as to the responsibility for the unsuccessful ending of the conference in 1946. As I said, I am not going into details, because they have been discussed fully already; but there are quotations from two authorities I should like to lay before the house for its consideration in assessing the responsibility. I do so because we find that virtually every province is requesting the resumption of dominion-provincial relations. If they had been responsible for ending that conference there might be some slight shade of justification for the dominion saying, "Until you change your attitude we will not reconvene the conference." But that is not the fact. The dominion ended the conference and they must bear the entire responsibility. The necessity for a change in attitude rests with the dominion, and theirs is the responsibility of calling a fresh conference.

One of the two quotations I wish to refer to is that of Premier Manning of Alberta, to be found at page 536 of the report of the dominion-provincial conference. Speaking on May 1, when the conference was discussing the last and final proposals of the dominion government as submitted by the Minister of Finance, and the speech made by the minister in dealing with the provincial proposals, Mr. Manning said:

> May I say that Mr. Ilsley's emphatic and completely negative reply this morning was a surprising and a bitter disappointment.

It might be suggested by some that Mr. Manning was a partial observer, so I will turn to one who—as between the provincial governments, which were Conservative in character and the provincial governments which were Liberal in character, and the federal government, which was Liberal—would be recognized as an impartial observer. I refer to the C.C.F. premier of Saskatchewan, who holds no brief for either side. Mr. Douglas, referring to the same statement by the Minister of Finance, which finally led to the impasse and the breaking up of the conference, said this:

> The Minister of Finance—

That was Mr. Ilsley.

> —cannot say yes, and his answer to every proposal that was placed before him for consideration was a most emphatic no.

Later, on May 2, after the then premier of Ontario had made further proposals, Premier Douglas made a statement which is very revealing in enabling us to decide who it was who was intransigent, and who it was who showed willingness to negotiate. His statement is to be found at page 577 of the conference proceedings, and is as follows:

> And I want to say just in passing, that those who are gloomy about this conference should remember that Ontario has come a very long way from last January.

I give these quotations in passing, Mr. Speaker, for the purpose of enabling us to assess whether or not the provinces, and in particular one or two of the provinces, were responsible for the breakdown of the conference, as has been suggested. I do it because I think it shows clearly that the responsibility for the breakdown of the conference rests squarely on the dominion government.

That being the case, there can be no excuse for the failure of the dominion government to reconvene the conference, particularly in the light of the fact that virtually every province has requested in writing a resumption of the conference to adjust important and pressing matters which have been long outstanding. No province more urgently requires a resumption of discussion and adjustment of detail than the province of British Columbia, the province from which I come. I said that every province desires a resumption of the conference. One has only to refer to the white paper, "Correspondence since the budget of 1946 on matters of substance regarding tax agreements with the provinces", to see that this is true. I should like to refer again to the remarks of the premier of Saskatchewan as recorded at page 53 of that document. The premier wired the Prime Minister of Canada on July 12, 1946, and in his wire there is this passage:

> Therefore urge reconvening of dominion-provincial conference in order to work out social security plans on national basis.

The premier of Nova Scotia has urged on many occasions the reconvening of the conference. The premier of Prince Edward Island has urged the reconvening of the conference. I think that the wire from Premier Jones, and the reply of the then Prime Minister of Canada, are particularly interesting as illustrations of the manner in which this matter is being dealt with by the federal government. On January 7, 1947, Premier Jones of Prince Edward Island wired to the Prime Minister of Canada as follows:

> I suggest that five provinces which have made agreements should get together at once and review the agreements made and adjust them to their mutual satisfaction with the concurrence of your government.

The following reply was sent:

> My dear Premier:
>
> I duly received your telegram suggesting that the five provinces which have made agreements should get together at once and review the agreements made, and adjust them to their mutual satisfaction with the concurrence of the dominion government.
>
> I shall be pleased to see that careful consideration is given to this suggestion.
>
> Yours sincerely,
>
> W. L. Mackenzie King.

That was two years ago! The premier of Alberta has asked for the reconvening of the conference; the premier of Ontario has asked for the reconvening of the conference; and no one has suggested more urgent reasons for the reconvening of the conference than the premier of British Columbia. The situation in which provincial governments, and particularly the government of my province, find themselves today, is that there is an ever-increasing pressure on provincial expenditures on those matters which are properly within the sphere of provincial authority, and expenditures which should properly be made by the provinces in fields of social security, development of resources, and so on, within the province. But as a result of the tax concessions made in the individual agreements reached, the province of British Columbia, along with others, finds itself increasingly unable to carry out its responsibilities without resorting to tax measures unpopular, uneconomic, unscientific, and undesirable. The premiers themselves agreed that these taxes would not have been imposed had they not been driven to that necessity by the assumption by the federal government of exclusive taxing powers in the major fields, while at the same time the federal government refuses to implement the financial undertakings it gave when the conference was first called, and on which the tax agreements themselves are based.

We see here a deliberate attempt to starve the provinces into submission so that no province will be able to carry out its own responsibilities without coming to the federal government for handouts, without making further agreements with the federal government, at the dictation of the federal government with respect to their taxing powers. I make that statement quite deliberately because it is fully supported by the words of the present Minister of Justice (Mr. Garson). Speaking in this house, in the course of this debate on February 2, he spoke with favour of the theory of the financial starvation of the provincial governments. Discussing what he regarded as the financial scheme at the time of confederation, he said, as reported at page 165 of *Hansard:*

> The provinces were deliberately left with small revenues, which in some provinces were inadequate from the start, in order that the legal powers which they received under the constitution would be supported as little as possible by revenues wherewith to pay for exercising them.

That is a very clear statement of the policy being deliberately pursued by the present government in its attitude to the provinces. We might be inclined to say that it is a matter of little consequence, but let us consider the practical application of what the dominion government is doing. I am referring to matters of interest to every one of us here as citizens of Canada, and as citizens of the areas in Canada from which we come, because our areas, the lives we live, the prosperity and welfare of every one of our fellow citizens, depends upon our local government, our provincial governments, being able to give to our provinces the services which they require.

Here is what is happening in British Columbia. I wish to quote from the speech of the premier of British Columbia at the opening of the legislature of that province in March of 1948. The Kamloops *Sentinel* of March 10 of that year summarizes Premier Johnson's speech in part as follows:

> Existing tax agreements between dominion and province cannot be considered fair unless social security proposals outlined in green book are put into effect.

He instances some of the burdens thrown on the province of British Columbia by failure of the dominion government to implement its proposals.

In this same article he is reported as having said:

> Of 2079 old age pension cases assumed in the past five months, 423 or 20 per cent are from other provinces and not really British Columbia cases in the true sense.

At another point Premier Johnson said:

> The dominion government has yet to assume full responsibility for unemployment.

Then he pointed out that, while the dominion was collecting enormous revenues within the province and was repaying only a very small proportion of what it collected, his government had urged that the dominion bear a larger share of old age pensions, institute compulsory contributory superannuation, give financial assistance in the cost of hospitals and implement a system of health insurance.

That matter was followed up, Mr. Speaker, by the budget speech delivered in the British Columbia legislature this year by the Minister of Finance. He pointed out that, as a result of the failure of the federal government to implement its undertaking at the time the tax agreements were first negotiated, the province had to impose a sales tax of 3 per cent on retail sales. This interesting fact was also pointed out by Mr. Anscomb, according to the Vancouver *Sun* of February 26:

> British Columbia will receive from Ottawa 24·2 million dollars in the fiscal year 1949-50 as rent for its personal income, corporation and succession duties. British Columbia will give its own municipalities 21·9 million dollars in the same year. The difference available for provincial services is only 2·3 million dollars.

By the time the province has enabled the municipalities to carry out their responsibilities for social services, only $2·3 million remains out of the grant received from the dominion government, and the dominion government has not assumed the share of social security costs which it undertook to assume when the agreement was made.

The editorial continues:

> Mr. Anscomb referred to the fact that the province either had to impose the sales tax or give up its social security program. To avoid giving up this social security program, British Columbia is raising $18 million annually by levying a tax on retail purchases. Mr. Anscomb also observed that the time is long past due for the implementation of the implied federal responsibilities upon which the tax agreement was predicated. The delay would be understandable if the federal government were financially embarrassed, but the postponement of action with the enormous revenue surplus materializing is beyond understanding.

We have only to remember that this year the federal government has a surplus of over $600 million for the first nine months, and then to realize that the provinces, like British Columbia, with increasing costs for social security, are driven to impose sales taxes to meet their obligations, to see the results of this deliberate program by the dominion government of centralizing financial power.

One sometimes hears it said even in my province, Mr. Speaker, when we criticize the federal government for failure to implement the social security program, that it is due to the fact that Ontario and Quebec have not signed tax agreements. This is the excuse offered by the Liberals. Let us examine that argument for a moment. Dominion-provincial financial relations at present are as follows: As a result of the agreement made with British Columbia, Ottawa collects from the taxpayers in that province approximately $144 million in the form of personal and corporation income taxes and succession duties. Under the agreement the dominion government pays British Columbia approximately $20 million, or one for seven to what they collect. At the moment the dominion government collects, from the same fields of personal income and corporation taxes in Ontario and Quebec, $674 million. This is based on a return to a question I asked last year. The dominion government does not pay Ontario or Quebec any subsidy, as would have been the case if those provinces had signed the agreement. On the basis of that return, if those two provinces had signed the agreement, they would be entitled to a subsidy of $143 million per year between them. The dominion government collects $674 million within those provinces, and it is $143 million per year better off because those provinces have not signed the agreement. To use the fact that Ontario and Quebec have not signed as an argument for not implementing the social security promises to British Columbia is plain unadulterated nonsense and my Liberal friends here and at home know it. They know they are trying to mislead the public when they give that as an excuse for the failure to implement the promise as demanded by the government of British Columbia.

Let me give you one other result, Mr. Speaker, of this sort of method of bleeding the provinces. The taxing power is concen-

trated in the hands of the federal government. The federal government refuses to implement its social security promises. The province of British Columbia is driven to imposing the sales tax to carry out what it regards as a basic level of social security for the people of that province. The municipal governments are unable to finance their proper responsibilities and the provinces are unable to help them further. To give you an example, I might cite what happened in my own district this past year. Nothing is more necessary for the people of Kamloops than adequate school facilities, yet nothing is in shorter supply. Last fall a bylaw was presented which called for the expenditure of about a million and a half dollars to provide needed school accommodation for that district. Approximately half of that amount would be contributed by the provincial government. The only way in which the municipality could raise the balance was by means of a further tax on property. I did not hear a single person deny that the increased school accommodation was necessary. Both the city and the rural areas turned down the bylaw. It was turned down, Mr. Speaker, for one reason and one reason only, and that is the crushing burden of taxation already imposed by the dominion government. The people said, "We cannot stand any more taxes".

Unfortunately, the people do not often have an opportunity of voting directly against federal tax laws. Such an opportunity will be afforded them at the next election and then my friends who impose these taxes will find out how the people feel about them. The people do have the opportunity of voting against municipal tax laws. It is the only chance they have of showing they cannot stand any more taxes even though it be for urgently needed school accommodation.

I suggest that this question of dominion-provincial relations is not of merely academic or political interest. It is of vital, everyday interest to the people in the various parts of the country from which we come. This gathering into federal government hands of all taxing powers for some theory of budgeting which has been referred to—and correctly—as more like a political theory of budgeting than a cyclical theory, and the imposition of heavy taxes to be used for a variety of non-essential purposes, some of them constitutional and some unconstitutional, yet refusing to fulfil the undertakings given to the provinces or to call a conference to sort out these matters, is resulting in our provincial governments and our municipalities being unable to provide the services which should be provided for their people.

I had intended, Mr. Speaker, to discuss the somewhat related subject of the development of our natural resources, but I see that I am within a minute or two of the expiry of my time and therefore I will not go into detail on that subject. As I indicated earlier, I had intended to refer to the necessity of a flood control, power and irrigation project in British Columbia, especially with reference to the Fraser river system. Here is another sphere where the expenditure of provincial funds is called for. A large expenditure is called for, and the province will be hamstrung and handicapped because it has not the tax resources with which to carry out the project. I hope however that another opportunity will be afforded to deal with that matter more completely, so I will only say this in conclusion: I urge on the federal government and on the Minister of Public Works (Mr. Fournier)—who incidentally has not yet tabled the copy of the report of the Fraser river board, for which I asked—to get his engineers busy and to get construction started now. All our lakes and rivers were full last fall. We had a wet fall. We have had a heavy snowfall this winter. If we should have a hot or a sudden spring, we shall have floods out there worse than those we had last year. I urge that the government proceed immediately with the construction of this project under the three heads of flood control, power for irrigation, and power for developing the resources of the province.

Mr. G. H. Castleden (Yorkton): I trust that you will pardon me, Mr. Speaker, if I talk this evening about the next generation rather than the next general election. It may be somewhat of a change for a house which is probably in its last session.

Today Canada is faced with many problems, and I shall deal first with what in our opinion is the most important one facing the government and the people today. I refer to the problem of how to prevent a depression which is already looming up on the horizon as an imminent possibility immediately in the path of the Canadian people, if not in the path of people in other parts of the world as well.

The growing list of unemployed within our own country, the piling up already of a surplus of agricultural and other products within Canada, and the reports of the failure of the ministers of the government to make certain trade agreements for the disposal of our surpluses, are unmistakable signs that all is not well with Canada for the next few years. If that depression is to be prevented—and I think the matter is worthy of the consideration of this house—it will be agreed by all hon. members that it will be necessary for us to take action now.

I know there are some who will maintain that our trade situation was never better, and that the situation gives no cause for alarm. But it is the belief of the members of this party, at least, that the last depression through which we went was largely due to the failure in international trade throughout the world.

Our system of private enterprise—which is rapidly becoming a system of monopoly enterprise—was given a free hand in the 1920's and up to and during the 1930's. It led us directly into the demoralizing depression which most of the people of Canada have not forgotten. It is a matter of record that the only solution of which we have ever had experience for a depression of that kind has been the preparation for war, or the declaration of war. I can remember—and this fact can be verified from the records—when the leader of this group in 1936 asked the government of this country to start a program which would cost about $5 million. That request was for a work and wages program, to provide work for the millions of people in Canada who were unemployed, and to provide an opportunity for the young men who could not make homes for themselves. He was told that it could not be done, that the money did not grow on gooseberry bushes. Yet all he asked for was a $5 million program. As I said before, we have today a piling up of surplus products within Canada. The fact that the apple growers of Nova Scotia can no longer sell their apples in the markets of Great Britain and the fact that the Okanagan fruit growers, as we were told the other night, are not able to sell their surplus apple products, are among the signs that point to a depression.

There is one basic contradiction in our economic system which the people of Canada, and the other people of the world too, who live under this system, will have to face. It is this. Although there is a need for food throughout the world, the more food that is produced by those engaged in its production, the lower becomes their price, the less becomes the reward for their production. In a short time they face the situation of not being able to get even the cost of production. Why? Because there is no exchange for their products; there is no market abroad for them. It is about the problem of providing that market that I wish to speak tonight, because the Canadians of tomorrow will have to face it, and face it in an extremely real way, unless something is done about it, and done soon.

Surely there is something wrong when a system, which can produce as much as ours can, cannot distribute its production. Surely there is something wrong when the only solution that we have for our overproduction, in a world that needs production and needs food, is that of paying farmers to root up trees, of taking surpluses and destroying them, of throwing bananas and oranges into the sea, and of burning coffee. Why? Because countries will not exchange these products.

These lost markets are causing apprehension across Canada. The western grain growers, who have been fortunate enough to have had crops in the last four or five years, have had some prosperity and a measure of security which they never experienced before. This was largely the result of (1) a world shortage of wheat and agricultural products; (2) a five-year agreement with Great Britain, which made minimum prices possible; and (3) a wheat board organization which returned to the farmer the net selling price of his grain. That is something he did not have before.

An hon. Member: A Liberal government.

Mr. Castleden: There are abroad in the west certain forces who would like that agreement type of thing to be done away with and who would like to return to the speculative market system of handling grain so that they would get the net return on the farmer's grain and he would not. These farmers have been able to pay off their debts. The number of mortgages is small. The farmers have been able to expand their farms and to provide themselves with some measure of modern machinery with which to produce. I want to say that they appreciate the fact that in the year 1949, when other agriculturalists across Canada find it difficult to sell their products, they have a market for their 1949 crop.

An hon. Member: What about 1950?

Mr. Castleden: It is about the 1950 crop that they are wondering. They have seen prices collapse before. This is what happens. In spite of the fact that the price of the commodity which they produce goes down, the cost of production continues to rise. Farm implements do not drop in price overnight. They will continue to rise in costs. The farmer is caught in between that price squeeze and is prevented from getting back his cost of production.

How was this five-year agreement with Great Britain made possible? It was made possible because ERP funds were available and provided United States dollars to Britain for the purchase of Canadian goods. Europe is beginning to come out of its emergency condition. According to reports, France is going to become a wheat exporting nation this year. In some quarters wheat is already becoming recognized as a burdensome surplus.

It is being so called by some people who support our system. Imagine such a thing in a world hungry for food. But it does mean, as far as ERP or ECA is concerned, that no more American dollars will be available to Great Britain to purchase Canadian grain. That is the reason why the Minister of Agriculture (Mr. Gardiner) was unable to make any agreement with the British government for the 1950 crop. Great Britain cannot purchase our surplus commodities, such as wheat, without ERP dollars or Canadian dollars. If they do not come from ERP or ECA, then there is only one way she can get them, and that is by selling goods in Canada.

The hope for a long-term agreement today rests with the committee which I believe is sitting at this hour in Washington trying to arrange some international basis for the exchange of the world's wheat, on an international level, to share on a quota basis those markets of the world which will be available and which we believe will require these foods. If that conference fails, then the future is indeed dark for us.

The other day it was discouraging to read that the Argentine, which is one of the great wheat exporting nations, had withdrawn from that conference. That will mean that the Argentine, producing soft wheat, which is used to a larger extent in milling in the British markets and in Europe, will be forming a competitive factor against the world's exchange of goods on a barter basis. Our hope for fighting off a depression rests entirely on the ability of the governments of the world today to agree on an international basis to exchange their goods at whatever costs—to exchange their goods and overcome the things which are preventing an exchange of goods.

In the past we were told that we could not sell our agriculture surplus because of the value of Canadian exchange as compared with the British pound in the sterling bloc, the soft currency bloc, and the American hard-dollar bloc. The flow of goods must not be stopped this time by exchange values. If the exchange situation is going to be allowed to stop the flow of goods, then I think we will face, in the near future, the suicidal action of governments, who wish to continue governing their countries, following down the trail which leads to the inevitable position where they will not be able to get rid of their surplus goods. Then they must of necessity face a depression and bring others down along with them.

Although our government has expressed no opinion on the matter, and has expressed no policy, I hope that it is willing to exchange goods on a barter basis with a country which will take our products. I do not know whether this government is willing to break with the great nation to the south of us. As we watch the trend recently, it appears that this government is making of Canada more and more a sort of dependent appendage of the United States, tying us up with the American dollar, tying us up in so many fields that we are now almost a minor state of that union. Are we to be free to make a break so far as the American dollar and the Canadian dollar are concerned? Individual farmers and farm organizations have cause for serious thinking on this matter. It has become the greatest single peacetime problem which faces Canada. Probably for that reason it has been the subject of more than one speech in this debate.

The farmer knows that the value of his products can fall overnight, but the cost of the things which he must buy does not. He is put in a position where he must buy them. He is always in the position where those who are selling these products to him tell him the price that he must pay for them; but he is not in a position to tell them the price at which they must buy his commodities. He makes his living out of that production. He cannot change it. He may be forced to continue to produce away below the cost of production, as he did in the thirties. He will then be forced to load himself down with a debt burden himself, and his family after him. It happened to hundreds and hundreds in the western provinces in the thirties. The farmer lost his farm to the mortgage company, his home and his life savings.

There is one feature of the present system of handling grain and agricultural commodities throughout Canada which, with the seriousness of the situation which faces us, is of the utmost importance. It is quite clear that the farmers themselves have made up their minds that it will go. I refer to the speculative system of marketing. Those who control our commodities plan daily what price they will pay for them. It is going to be necessary for us to negotiate and to plan our markets for the future. Our distribution must be organized democratically. I do not think the contention that you cannot have orderly marketing without regimentation and the loss of freedom, will stand examination; because logically, and already practically, farmers or organizations have shown that through democratic organization they can represent the will and the wishes of the people, and through farm organizations they can get together, plan their production, and plan their exchange of goods. The farmers pool organizations in the west, the united

farmers, the great co-operatives, the provincial federations of agriculture, the Canadian federation of agriculture and the Co-operative Union of Canada show that the farmers of Canada have the capacity to organize and to work together. They can work together with similar democratic groups, with people chosen in their own field, to sit down and discuss the problems which face them and to find a solution satisfactory to those people whom they democratically represent.

It is not necessary to have regimentation. It is not necessary to have bureaucratic government officials operate the wheat board; but it will require a government favourable to the ideas of those people who believe in some of the basic principles which they represent, to make possible through legislation the organization of our trade, our production and distribution through such boards.

In recent years the development of farm organizations has been a remarkable and a very healthy advancement in the Canadian economy. They have shown a fine capacity to organize and to work together. They have grown in recent years until now they exercise a tremendous influence in an organized way, and with a humanitarian objective, which is very important, and which commends itself to people of good will not only in this country but abroad. In my estimation, much of the hope for the world of tomorrow lies in the growth of this co-operative effort, and it must have scope in a world-wide way.

In spite of protests from our group in this house against the speculative marketing and the handling of coarse grains in 1947, this government proceeded to ignore our recommendations and our offered amendments to the wheat board act to bring coarse grains under it, and in the fall of 1947 they threw coarse grains out into the open market. Again in 1948 the government brought down an amendment to the wheat board act and passed the buck to the three provincial governments of the west. What was the result? The Liberal coalition government of Manitoba and the Social Credit government in Alberta refused to pass enabling legislation, and the result was that the grain exchange carried on the handling in 1948. But now the powers of the farm organizations are having some effect and they are beginning to win their point. From press reports already out, I believe it is evident that an amendment to the wheat board act will be brought forward in this session, which will finally bring coarse grains under the orderly marketing system of the wheat board.

With Canada's livestock and dairy industry and with our production of meat, eggs, cheese and other dairy products dependent upon the production of coarse grains within this country, Canada's policy for the production of these products is tied up completely with the production of coarse grains. A proper floor price is an essential part of any over-all agricultural program.

It may be necessary within the next few years to do what is being done in the United States at this time. They have organized, and have recognized the need of a national program for the allotment of food, to make it possible for those people in the low-income brackets—and we have many such in Canada—to purchase essential foods. I suggest a program of that kind should be under survey at the present time to take care of the situation when distribution in Canada and abroad begins to fail.

Such a program would also be necessary in the international field. The stability which would result from its establishment is essential for the prevention of another depression. It may require as much ingenuity, work and detail as was required in the preparation for war. This will be a war on poverty and on depression.

We in this Co-operative Commonwealth Federation believe that some of the basic principles in the co-operative movement will have to replace some of those principles, if they may be so described, which operate within the economic system under which we live, before a solution of this problem will be possible.

We join with the Canadian co-operative union in asking that the government remove the taxation against the three per cent of savings, which is treated by the government as a basis for taxation. We realize that sometimes the government has difficulty in recognizing what are and what are not co-operative organizations. If it would pass a federal co-operatives act, something which is needed very badly, it could define in that act what a co-operative is. It would permit the formation of co-operatives throughout the whole of Canada, permitting them to do business interprovincially rather than confining their efforts within the boundaries of a province. Such an act would make it possible for people to organize co-operative corporations so that they might operate in any province, and throughout the whole of the dominion.

Under present legislation, co-operative organizations which organize on a commercial basis or for commercial purposes are compelled to operate on a share capital basis. That method is contrary to the principles of many co-operative organizations, and is opposed by them.

I have the honour, Mr. Speaker, to represent a constituency in the eastern part of Saskatchewan second to none in Canada. The people of that constituency come from many different countries of the world. Despite that fact, we live together there as one family. We share our troubles; we share our joys; and we work in unity together. During the depression we suffered, and resolved to do something to prevent the recurrence of such conditions. When the war came many of our young men enlisted. Many never returned. Some, who did not return, had known very little in their lives, up to 1940, except poverty, relief and unemployment.

During and since the war we have had a few years of security and we have been able to expand some of our holdings. We have been blessed with fairly good crops. The people cleared off their debts, paying every cent they could. They bought farm equipment. These people have been able to live together because they have exercised the principles of tolerance; and they are Canadians first.

They appreciate the program put out by a young man who, I believe, should be honoured in this House of Commons for the work he is doing for Canadians. I refer to Mr. John Fisher, who makes his reports on the C.B.C. The work that man is doing toward promoting unity and understanding among Canadians is certainly in great contrast with some of the things we sometimes see in our political life here, those things which tend to separate Canada and prevent her becoming a great nation.

Mr. Brooks: A New Brunswicker.

Mr. Castleden: I care not from what province he comes; he is doing a great service for Canada.

In my constituency we recognize the right of the people to freedom of speech, freedom of religion, freedom from fear and freedom from want. They work together. We may differ in our religious and political beliefs; but we respect the rights of all people to have their beliefs. There is no padlock law; there is no racial or religious intolerance. Our religious freedom is real.

The centre of that constituency is a city of about 7,000 people. A recent survey shows that it is growing and expanding, and also shows that among the people are twenty-three different religious denominations. But they work together in freedom, without fear of persecution, and without scorn of their fellow men. The people in the town work with the people in the rural community. If trouble comes in one section, they help each other. They realize that they depend one upon the other for their existence and welfare. They know that their prosperity depends one upon the other.

Over two hundred new houses have been built lately in Yorkton, but this does not begin to meet the housing problem. I would say this about that government housing program, that while they are producing houses in Yorkton, the cost of those houses is so high that it fails to relieve the requirements of those in the lower-income brackets who need housing accommodation most. Many of the people who would like to go into those houses find that the regulations and requirements of income are so high that they cannot undertake either to rent or to purchase them.

Even less fortunate are the people in another town in my constituency, the town of Kamsack, where, on account of certain regulations under which the housing program of this government is being operated, the big business firms in Winnipeg who decide how much money will be lent for the construction of houses have determined that this town is not a good risk—or have given some other reasons. Apparently they are afraid they might not get all their money back, with the result that veterans and others living in that community are unable to have even those advantages of the housing scheme the government is now putting forward.

The people in that community feel the need of an amendment to the National Housing Act to make it possible for a group of people to organize themselves co-operatively for the purpose of building their own nouses for their own use. I do not know why the National Housing Act prevents such action among people who really need houses. These loans must be made available to the co-operative corporations on the same terms as such loans are made available to the limited dividend housing corporations, notwithstanding the fact that, upon repayment of the loans, titles to such houses may pass directly or indirectly to the lessee.

A number of years ago I had the pleasure of visiting Nova Scotia. Down in Cape Breton island I watched the development of the best housing program I have seen in Canada. I saw people who were workers in steel plants and in mines working together in co-operative groups to establish homes for themselves. A system was established there whereby such people working co-operatively could get money at about three per cent. These workers, previously condemned to live in company houses without sanitation or modern conveniences, had planned through the years to build these homes. They built themselves lovely six-roomed and seven-roomed homes, fully modern, well spaced, well constructed; they allowed plenty of playground space and

they had proper town planning. They moved into those homes and had to pay a rental of $13 per month, which covered not only the rent for the building but insurance, taxes, water and light and protection. It gave them good homes. Within a period of twenty years, by working through this co-operative organization, they will have sufficient money to pay for those homes out of that rental.

Those were families that appreciated such homes. For generations they had been compelled to pay $16 and more per month for company houses without proper sanitation or conveniences and they never owned them. But their families had been forced to live in them because they could not afford to build their own homes. I went from that project across to Sydney Mines and I saw people living in houses that had been long condemned. Such a project as that is one of the best ways to develop good citizens and good Canadians. Similar projects should be made available to all the people of Canada. We must make such houses available.

People in the west resent order-in-council government. They want this government to know that order-in-council government is abhorrent to them because they believe it is contrary to some of the fundamental and basic principles of democracy. They resent the discrimination in freight rates which this government failed to wipe out when they granted the increase to the railway companies. But there is one thing which has struck them hard in recent years. In the years before, these people had never experienced the necessity of paying income tax. Since the war, when they had some prosperity and became taxable, they were not even told that they were supposed to pay income tax. I do not think they are protesting so much against the payment of the tax as they are against the methods of collection used by the representatives of this government.

They protest strongly against some of the actions and methods of the tax collectors sent out as representatives of the federal government. It is the method they object to, because they appreciate that the income tax is one of our fairest taxes if it is imposed in a proper way, since it taxes those in the higher-income brackets. If you wiped out the inequalities and the injustices I do not think you would have much complaint; but as long as you continue in the course that has been followed for the past three or four years you will have continued complaints from these people.

I should like to read a copy of a resolution which was sent by the Yorkton and district board of trade to the Minister of Finance (Mr. Abbott). I am going to read this because it represents the opinion of the people in that area and gives an accurate idea of what they are thinking. I understand that similar protests have come in from all over Canada and it is hoped that they will have some effect upon the government. I am reading this now because I have no doubt the Minister of Finance will be preparing his budget and it would be well for him to know what the people are thinking. At any rate, we can register our protests and wait for the budget to find out whether they are heeded. The resolution addressed to the Minister of Finance (Mr. Abbott) reads:

> Representing as we do, a cross-section of Canadian citizens, labourers, wage earners, salaried men, professional men, farmers, business executives and business owners, we feel that the facts expressed herein are applicable to the great majority of Canadians.
>
> We submit that:
>
> 1. Canada is the richest nation in the world in per capita natural resources and productive ability, but her citizens are condemned to a lifetime of mediocrity through our present income tax laws. The normal savings of our people are being taken for income tax.
>
> 2. The natural inclination of Canadians is to save and to accumulate property and wealth. Income tax laws have nullified this desire.
>
> 3. Canadians are a thrifty and industrious people. Our income tax laws have killed their incentive. The tendency today is to do less, for example—
>
> Our labourers and wage earners will not work overtime or to maximum efficiency. Overtime work usually results in less than regular take-home pay and the tendency of workers is to work down to a minimum standard.
>
> Our business men do not expand. There is no incentive and little opportunity to grow.
>
> Our professional men do less than they are capable of, take plenty of holidays and hire extra staff. Again no incentive to do their best.
>
> Our farmers are on strike—literally, and disastrously. This year we have a butter and milk shortage, next year it could be a butter, milk, beef, pork, egg and poultry shortage. Thousands of our best mixed farmers have gone out of livestock. Why—simply because they will not work overtime to produce food to pay too high income taxes.
>
> 4. We, the people, are in real danger of losing our freedom through the workings of income tax laws. An army of inspectors, instructed that everyone is evading taxation, are becoming increasingly autocratic and the trend is to bring everyone down to one common level. We are too tax conscious; every business move, change or sale is influenced and flavoured by the extent to which income tax will affect the deal, or how the tax may be evaded.
>
> 5. An additional expense borne by the taxpayer is the toll taken by the large number of auditors and so-called tax experts who are necessary to the average citizen in the compilation of his returns.
>
> 6. We consider that the net result of all the above is an intolerable situation which must be remedied.
>
> We therefore resolve that our government be urged to grant a reasonable reduction on personal income tax at this session of parliament, giving particular thought to granting special concessions and exemptions to small businesses in order that they may expand in a normal way. We also ask that special consideration and exemptions be given

to farmers in such a way as to promote an increase in the production of milk, butter, poultry, eggs and livestock.

Respectfully submitted,

W. D. Lightbody, president,
F. C. Matheson, secretary,
Yorkton and district Board of Trade.

Similar resolutions asking for the reduction of the farm income tax have come from many of the rural municipalities in my constituency. They protest against the discriminatory features of farm income tax collections and urge that the exemptions be raised to at least $1,200 for single men and $2,400 for married men.

There is a further injustice that should be removed, in that no allowance is made for the unpaid labour on the farm. When that allowance is not made, surely the products that are consumed on the farm should not be considered as farm income. Another rank injustice exists in this field. We find employees of the federal taxation branches in the provincial centres charging farmers as much as $1,000 for their living expenses on the farm, and in other cases raising this to $1,200 or $1,500. Apparently the amount depends upon what they wish to try to collect from the different farmers. Such discrimination brings the deepest of resentment.

In closing, I should like to reassert our contention that the success of an economic system is measured by the extent to which it can take care of the welfare of human beings within the nation. The welfare of the people within the country is more important than the right of any particular group to extract excessive profits from those who toil. If the Canadian people are ever denied the right to obtain a living in return for their toil, and an opportunity for toil in this land of abundance, then our system will stand doomed, and it has failed once already. The real importance to the people of the present situation is not just a matter of the trade of tomorrow, or even a depression. I hope we appreciate the fact that our democratic system is on trial today as it never was before. We must prove that this land of abundance is able to provide for all. We must produce the greatest security with the highest degree of freedom. If we provide that, then no kind of totalitarianism will ever replace our Canadian democracy.

(*Translation*):

Mr. Marcel Boivin (Shefford): Mr. Speaker, on Wednesday, January 26, when the fifth session of the 20th parliament was officially opened, I went to the Senate with the object of paying close attention to the speech of His Excellency the Governor General. Let me tell you in all sincerity that for the fifth time I was greatly disappointed in the acoustics in the upper house, especially when solemn ceremonies take place. This is probably due to the noise and special formalities. Despite their good will, most members did not hear anything and they had to wait until the next day to find out what the speech was about, by reading it in *Hansard*.

Yes, Mr. Speaker, through the medium of newspapers and radio, the whole population of Canada heard about the contents of the speech from the throne at the same time as their representatives, if not before them. That event has again shown the importance of putting in a system of loud-speakers in another place and I believe it also demonstrates the importance of a system of microphones with loud-speakers in this house. If after due investigation, your consulting engineers should report that this is not possible, as they will probably do, I am almost sure that after serious consideration they will suggest the adoption of a system of microphones with receiving sets, such as found in the United Nations assembly halls at Lake Success. This system has been entirely satisfactory to the representatives of various countries who are presently in session and particularly to the public who attend those proceedings. I may add that I am conversant with the matter since I have had, like many others, the privilege of attending one of these meetings and of seeing for myself the advantages of such a system.

We must admit that during the war we accomplished things which the public considered impossible. We were able to accomplish them and to that end, these achievements being indispensable, the price was never a consideration. Well, I feel that for many years now such a system has been necessary and essential. It would allow the members from this part of the house to hear those sitting at the other end and who turn their backs to us when addressing you, Mr. Speaker. We could dispense then with reading the reports and still be informed on matters dealt with on the orders of the day. We would also be able to hear a member's speech even if the latter's voice is rather faint. We could thus keep really up to date.

Members of the press gallery would be able to prepare their reports while the member is speaking. They wouldn't have to wait many hours, until they can get copies from the Hansard reporters. The public attending our proceedings would also be able to hear the speeches. You will agree, Mr. Speaker, that such a system would not be too costly. In my opinion, it should be installed regardless of costs, because of all the advantages it would bring. My suggestion should be taken into consideration without further delay, for as a result of the redistribution of seats and of the entry of Newfoundland into confederation, the number of members will increase and the need will be more strongly felt.

Mr. Speaker, after reading the speech from the throne I beg you to convey my most sincere congratulations to His Excellency the Governor General, whose words show the importance of the present session.

I also wish, without further delay, to congratulate most heartily the Prime Minister (Mr. St. Laurent), in my own name and on behalf of my constituency, on his appointment as leader of our party. He now holds in his hands the destinies of our country. The people of the constituency of Shefford, which I represent here, had reason to rejoice over his election, since it is part of the eastern townships, of the region where the minister was born, i.e. the county of Compton.

About a year ago, prior to his appointment as prime minister, the member for Quebec East was the guest of his Alma Mater. On that occasion, one of our most prominent personalities spoke in the following terms:

> Tonight, I found, once again, that Mr. St. Laurent lived up to my expectations which were based not only on what others have said and on his own speeches but on confidential information purporting that by his sincerity of purpose and upright behaviour he has long since made his mark. Your sincerity, Mr. St. Laurent, explains why you have met with such success. You have shown that those who convince others and who are listened to in the long run are the very ones who toiled honestly and spoke the truth, except when circumstances compelled them to keep it to themselves.
>
> Since it has become a habit with you to climb gradually, you have come to study great problems, to ponder over broad considerations. By your behaviour, by the uprightness of your conduct, by your honesty, by your love of truth, you have set a fine example for all to follow.

These words, spoken before Mr. St. Laurent had assumed his high office, were quite justifiable at the time but have since proved even more to the point.

In asking me to wish Mr. St. Laurent on their behalf good health and ever-increasing success, the people of my constituency of Shefford entrusted me with a very pleasant task.

For quite some time, the papers had mentioned rumours that no one would credit in reporting that the member for Glengarry (Mr. Mackenzie King) would resign as prime minister because of ill health. These rumours were accurate, as we learned with deep feeling and regret, when he resigned some time after the last session. It is only fitting that I congratulate him on all he accomplished during the many years he was leader of the party and Prime Minister of Canada. There were dark days, indeed, but better times as well. We are very happy that his health allows him to remain among us in the house and hope that Providence will keep him with us for a long time to come.

The speech from the throne hints that the hope expressed by my colleague, the hon. member for Bonaventure (Mr. Arsenault) and by myself last year, may come true. Please believe that if it does, the people of Canada, irrespective of party affiliations, will rejoice over such an appointment.

We also learned that the member for Neepawa (Mr. Bracken) retired as leader of the opposition. On his doctors' advice, he relinquished leadership of his party. May I assure him of our highest consideration and wish him good health and success.

I should like to welcome the new leader of the opposition (Mr. Drew) who took his seat in the house recently. Although he has been with us but a short while, I feel sure he already sees the difference between the Legislative Assembly and the House of Commons. To use a well-known Quebec saying, I might add: he has finally met his "Quebec".

May I also extend greetings to our new colleagues from Algoma East (Mr. Pearson), Marquette (Mr. Garson) and Rosthern (Mr. Boucher) who have joined the members sitting on the right hand side of the house. I wish them every success in their new duties.

In listening carefully to the mover of the address, my friend and colleague the hon. member for Essex West (Mr. Brown), I felt, as I am sure others did, that he acquitted

himself very creditably of his task and that his constituents have every reason to be proud of him.

As to my colleague and friend, the member for Laval-Two Mountains (Mr. Demers), who seconded the motion, I also bid him welcome and extend my most sincere congratulations. A better seconder of the address could hardly have been selected. His speech was brief but to the point and he rendered unto Caesar the things that were Caesar's. He has kindled our admiration and he can count on our entire co-operation at all times.

Mr. Speaker, I would like to draw your attention to something that my constituents are asking, as I have myself, since July 12, 1946, for a distinctive Canadian flag which, as such, would be in accordance with the aspirations of the whole Canadian nation. I would like to quote Mr. Maurice Ollivier, legal adviser of this house. The quotation is taken from his excellent book on problems of Canadian sovereignty:

> If, as Lord Tweedsmuir once stated, the first loyalty of a Canadian belongs to Canada and not to the British commonwealth of nations, there seems to be no valid reason why this country, like all the other countries of the commonwealth, should not adopt a distinctive national emblem. It would serve to unite Canadians, whatever their origin, in time of war as in times of peace, during a depression and during normal times. They would find it easier to work hand in hand towards the greatness and progress of our nation.

The same holds true for our national anthem "O Canada" and any Canadian who loves his country should not find it in him to oppose it.

Mr. Speaker, we who sit on your right sincerely wish to give this country peace and security. I might add that we would have better success in that undertaking if the parties that are represented here could only forget their political fanaticism and work together with those who have been chosen to preside over the destinies of our country.

Mr. Speaker, reference was made, on our arrival here, to the communist menace. I know that everybody in this country now realizes that not enough attention has been paid up to now to this movement. A healthy reaction to it having taken place in numerous European countries, it has turned towards us, in the hope of succeeding here. It must be admitted that, though it does constitute a threat, it has not gone beyond its preliminary organizational stage. I congratulate the government on the close watch that has been and is being kept in order to fight this evil movement. I am convinced that our people understand now the true meaning of this revolutionary ideology. It will therefore be easier to fight it since the people will not leave that responsibility to the federal government alone, especially after the events of the past few years, but will co-operate, I am sure, by communicating to the proper authorities any information or any doubts they may have concerning those who abhor order, liberty and religion.

It is true that we have had good crops, that industrial expansion goes on at a rate we have never known before, that inflationary forces are less active, and I would add that it is true that employment is at a level heretofore unknown. But I would point out that we experienced a more or less serious regression since December last, due to seasonal factors as well as to limitations on the exportation of our products. In the city of Granby where I live, to give only that example, unemployment affects more than 1,500 people. I hope that these people as well as the country in general will admit that the federal government gave them two good acts when it enacted the Unemployment Insurance Act and the Family Allowances Act.

This brings me to deal with another question, a very controversial question and one to which I want to call the attention of the Minister of Mines and Resources (Mr. MacKinnon), that of immigration. On March 1, 1949, I called the attention of his predecessor to the danger of mass immigration, and events have proved that I was right in what I said then. I read only a few weeks ago that we received in 1948, 125,414 immigrants, that is twice the number we admitted in 1947. I have come to the conclusion that had we been more careful and admitted less immigrants our people who are today out of work would be employed in the majority of cases.

Mr. Speaker, some time ago I became acquainted with a report dealing with a lecture given by Mr. Watson Kirkconnell before the Empire Club of Canada in Toronto on March 23, 1944, and which interested me deeply. I would now like to quote the following from the said lecture:

> The history of immigration in this country may be relied upon to approve those principles which should be the guide of our future policy.

Mr. Kirkconnell sums up such a policy as follows:

> During this total period (from 1851 to 1931) Canada has always had half as much again as many immigrants as it could absorb. For example between

1871 and 1881 the number of immigrants was doubled but only one out of five remained in Canada. Between 1881 and 1891 the immigration became two and a half times as intense but only one-ninth of the immigrants remained in this country. Between 1891 and 1901 six out of ten immigrants left Canada. During the most intense immigration period, 1,848,000 foreigners were admitted to Canada but the emigration was about one million. From 1921 to 1931 we received one and a half million new citizens but we lost one and a quarter million. During the whole period between 1851 and 1931 we have lost 6,110,000 persons who left for the United States, 1,740,000 of whom were born in this country and 4,370,000 were immigrants who had found it impossible to establish themselves in our economic life. Not for a single moment during the last 90 years, except for the temporary requirements of the war, has Canada been affected by a shortage of manpower. We have no business to bring here large numbers of immigrants before we have reasonably insured full employment and social security to our own people, whatever their racial origin may be—

And further on the same lecturer said this:

New immigrants should not be chosen exclusively among the British people.

He does not share the views of the leader of the opposition.

Our national revenue has reached a higher level this year and consequently the remarks made by the Minister of Finance (Mr. Abbott) in his last budget speech are still more justified and truthful. I recall that he said:

This year I can again report, so far as Canada is concerned, an unprecedented rate of economic activity and a new record of progress in our government accounts.

Mr. Speaker, I rejoiced with the Minister of Finance when I heard on different occasions this year that we would again have an unexpected surplus nearly as substantial as that of last year, if not greater. The news item which appeared but a few months ago announcing that we would have to increase our expenses for national defence was accepted without any recrimination throughout the country because the people understood our government's attitude.

Mr. Speaker, with such a surplus this year, I hope the Minister of Finance will remember the words he spoke on April 29, 1947 and which are to be found at page 2554 of *Hansard* of that year. So that he may not forget them, I will take the liberty of quoting him:

I am consequently proposing to make a substantial reduction in taxation in this budget. Moreover, I am proposing to concentrate this reduction almost entirely in the field of personal income tax. This is the tax that at present levels is proving so unpopular and is causing difficulty. To overcome the situation which I have described a substantial reduction is necessary.

We trust therefore that the Minister of Finance, faithful to his word, will increase the tax exemptions requested more than once, by myself, and many other members. We all know that the Minister of Finance was not invested with his responsibilities to please the people nor to apply only those regulations which are agreeable to the people. We know that his chief responsibility is to ensure a fair proportion between revenues and expenses. I hope his task will prove less ungrateful this year. I do not consider I have asked for anything unreasonable when in my speech on May 22, 1947 I suggested the exemption should be from $1,200 to $2,000. At that time, I submitted statistics to show that a single person earning $1,200 was short $99 at the end of the year and that a head of family with two dependent children and earning $2,000 had a deficit of $215.

We must unfortunately recognize the fact that since 1947 the cost of living has considerably increased and if I were to compute again my figures in accordance with the present cost of living, the deficit for each would be twice or even three times as high. The head of family has had to cope with an increased rent, the power companies do not allow discounts, the price of clothing has considerably increased, and a minimum of $3 a day for food would be absurd. For these reasons, I have to ask more this year and request on behalf of my constituents, an exemption of at least $1,500 for a single person, and $2,500 for a married man, with $200 exemption for each child in receipt of family allowances and $400 for the other children. Moreover, all children should be considered as dependents as long as they attend school. Everyone knows that classical studies and a university course cost the parents more money. I also ask that income tax deductions at the source, inaugurated in September 1942 and which still affect the average wage earner, be abolished.

I wish, Mr. Speaker, that you could be present at a distribution of pay envelopes in any industry. You would then realize the feelings of the average workers when they receive their money. After deductions for income tax, unemployment insurance and retirement fund, the amount actually received is far less than they really earned and should be getting.

Storekeepers, dealers, manufacturers and professional men submit their report four months after the end of the year. In my opinion, it would be only fair to treat the average wage earners on the same footing.

The unemployment insurance commission should pay benefits as of the date the contributor ceased to work because those people need the money, having used up all their savings owing to the rise in the cost of living and to the heavy taxes they have been forced to pay.

People of the middle classes still have to pay taxes levied in May, 1942. I refer to the tax on soft drinks. I have stated that this tax is levied against people of the middle classes, because they are the heaviest buyers of this commodity. To ascertain this fact, it is only necessary to inquire from the manufacturers or from the corner store. It will be seen that three-quarters of this tax, if not more, is paid by the middle classes. These taxes must also be considered from the viewpoint of the soft drink manufacturers in our respective constituencies. I have already urged in this house the removal of this tax and I have sent my request directly to the minister concerned. I am told that several of my colleagues have made similar representations. I was informed later on that an investigation had shown that income from this source had not decreased, on the whole, during the last fiscal year.

Mr. Speaker, in order to stay within the time allotted to me, I would like, with your permission, to include two comparative statements, that will supplement my remarks.

TABLE I

25 per cent excise tax and 1c. per bottle tax on soft drinks—monthly collections

—	1947 Sugar rationing %	Present 1947	(100%) 1948	Dollar Increase or Decrease	Percentage Increase or Decrease
		$	$	$	$
January	70	1,358,667	1,593,273.27	234,606.27	† 17
February	70	1,292,306	1,898,720.22	606,414.22	† 31
March	70	2,148,213	2,663,144.92	514,931.92	† 23
April	70	328,215	259,156.65	69,058.35	* 21
May	80	1,436,150	1,784,397.84	348,247.84	† 24
June	80	1,728,481	1,951,932.83	223,451.83	† 13
July	80	1,867,142	2,405,961.45	538,819.45	† 28
August	90	2,312,248	3,120,321.04	808,073.04	† 35
September	90	2,862,728	3,552,393.48	689,665.48	† 25
October	90	2,900,474	3,210,637.85	310,163.85	† 11
November	100	2,095,645	2,526,759.60	431,114.60	† 20
December	100	2,065,204	1,928,463.04	136,740.96	* 6
		$22,395,473	$26,895,162.19‡	$4,499,689.19	

* Decrease. † Increase.
‡ Total tax on soft drinks for the year 1948 actually $26,892,817.55.

TABLE II

Monthly collections of 25 per cent excise tax and 1c. per bottle tax on soft drinks. Showing expected collections for 1947 based on sugar at 100 per cent

—	Percentage actual 1947	Actual 1947	100 p.c. expected 1947	100 p.c. 1948	Comparison 1947-1948 100 p.c.
		$	$	$	$
January	70	1,358,667	1,940,952.00	1,593,273.27	* 347,678.73
February	70	1,292,306	1,846,151.00	1,898,720.22	† 52,569.22
March	70	2,148,213	3,068,876.00	2,663,144.92	* 405,731.08
April	70	328,215	468,879.00	259,156.65	* 209,722.35
May	80	1,436,150	1,795,187.50	1,784,397.84	* 10,789.66
June	80	1,728,481	2,160,601.25	1,951,932.83	* 208,668.42
July	80	1,867,142	2,333,927.50	2,405,961.45	† 72,033.95
August	90	2,312,248	2,569,164.44	3,120,321.04	† 551,156.60
September	90	2,862,728	3,180,808.89	3,552,393.48	† 371,584.59
October	90	2,900,474	3,222,948.89	3,210,637.85	* 12,311.04
November	100	2,095,645	2,095,645.00	2,526,759.60	† 431,114.60
December	100	2,065,204	2,065,204.00	1,928,463.04	* 136,740.96
		22,395,473	26,748,345.47	26,895,162.19	146,816.72

* Decrease. † Increase.
Total tax on soft drinks for 1948 actually $26,892,817.55

The first sets out the comparative figures, month by month, covering income from the 25 per cent excise tax and the one cent a bottle tax for the year 1947. In the first column you will find the percentage of rationing imposed upon the manufacturers during 1947, that is, from January to October, 1947. The second sets out the income for 1947, and the third, income for 1948. The fourth column shows the increase or decrease in terms of dollars, and the fifth gives the percentage of that increase or decrease over two years.

The second table is even more instructive since I have added a column to show what the 1947 income would have been had the manufacturers not had to suffer from rationing. By the same token I show a decrease for 1948.

Since sugar rationing has been removed, the large companies which represent 11 per cent of the soft drink trade have begun an intensive publicity drive which has resulted in an increased volume of their sales while reducing the output of smaller concerns, which represent 89 per cent of the trade. Small concerns have had a lot to suffer during the war because of rationing of their raw materials. A few of them had to use substitutes in order to survive. This led to an inferior product which caused them to lose sales and forced them to cease operating. We know a number of them, even around Ottawa.

Looking further into this matter we find that 67·61 per cent of the manufacturers had a turnover of less than $25,000. This represents a production of about 69 cases per day, which are sold to the retailer at $1.20 per case, tax included. When we consider that these taxes are 8 per cent and 25 per cent, i.e. 21·1 cents per case and that a surtax of one cent gives an added revenue of 24 cents, totaling 45·1 cents per case which the manufacturers pay the government, I admit, Mr. Speaker, that one would have to seek for a long time before finding manufacturers in other categories who have to pay three taxes representing one-third of the wholesale price. Many of my colleagues are inclined to believe that this industry is making large profits. The figures prove the opposite. Wholesale price, $1.20 per case, less the tax amounting to 45·1 cents; cost price, 74·9 cents. Wholesale price before the war, 80 cents per case less discount, 5·12 cents; cost price, 74·88 cents. This industry since the beginning of the war has been making a profit of 0·1 per cent to meet the rising costs of materials and the rise in wages. Today it is requested to relieve them of the taxes which were imposed on them so that soft drinks may sell at the former retail price of five cents per bottle. As the hon. minister is sure that this will be done, I believe that such a request is justifiable and will be appreciated by both the consumers and the manufacturers we represent.

I shall now deal with another tax which has been the object of much criticism. I refer to the luxury tax imposed on the jewelers in our respective constituencies. Let us consider this tax from these two angles. First, let us take the customer's point of view and in this I wish to quote the words used by the hon. Minister of Finance in his last budget speech and which may be found in the debates of May 18, 1948. I quote:

> Again having in mind the needs of the average household, I am proposing that the 25 per cent retail purchase tax be lifted tomorrow from silver-plated knives, forks and spoons and from alarm clocks of a retail value of $10 or less. This change will remove from the scope of the retail sales tax items of common use in the home.

Mr. Speaker, even if the minister pretends to have discriminated in favour of the middle class, I say he did not and I might add that the middle class, in 90 per cent of all cases, uses none but ordinary utensils; had the government thought of it sooner, they would have abolished the tax on watches, fountain pens, automatic pencils and even on rings, which in my estimation are not luxuries but essential articles.

With further reference to merchants or jewelers, everyone will admit with me that the latter have, since June 24, 1942, acted as unpaid employees of the government in collecting that tax. They have done that task during the war, considering that it was their duty to do so, even though that was harmful to their business, but now that war is over I believe that the government should no longer claim that tax and that they should stop interfering with the middle class. That tax was established with a view to limiting wartime purchases and permitting the general public to purchase war savings certificates and victory bonds. In view of the surplus the government had last year and has again this year, and inasmuch as that tax has yielded $8,165,293 for 1946-47 and $8,413,875 for 1947-48, it must be admitted that it was imposed for the restriction of purchases rather than for revenue purposes.

Mr. Speaker, I would like, in conclusion, to thank the Postmaster General (Mr. Bertrand) and the Minister of Public Works (Mr. Fournier) who have finally taken into consideration a request I have submitted

repeatedly. The government having purposely restricted expenditures for building purposes, thus delaying as much as possible the execution of useful projects, they none the less applied in their own department an austerity program. Indeed, the town of Granby is in need mostly of a post office. The request for it was submitted long ago. While looking through the reports, I found out that on June 4, 1920, my late father, then member for the constituency I have the honour to represent, had made the request. This request, supported by proofs, had been made to the then Postmaster General concerning the urgent need of alterations to the Granby post office building, built about 1900, when the population was only 4,000 and postal revenue merely $4,063.07. I again mention 1920, because at that time the population was double that of 1900, having increased to 8,000. Following the 1920 request, an additional story was built over the annex which measured approximately 21 feet by 37 feet. Yes, Mr. Speaker, an additional story 21 by 37 feet so as to compensate for the margin in turnover which had increased by $10,611.46, because gross revenue in 1920 amounted to $14,674.53.

Since 1920, the city of Granby where I live has been left with its antiquated post office, despite the fact that the population has increased threefold, that there are 68 diversified industries. Its gross postal revenue amounts to $73,909.62, outside of post office money orders and postal notes. Mr. Speaker, this request was taken into consideration when it was obviously realized that such a building, due to the increased turnover, the number of office employees and postmen, no longer met the requirements over many years and that this request on my part was more than justified.

On behalf of the agricultural society of Shefford county, I wish to offer my most sincere thanks to the Minister of Agriculture for his co-operation during the fiscal year coming to a close. The agricultural class as well as all the people of my constituency are very grateful to him.

I want to tell the Minister of Transport (Mr. Chevrier) how very grateful I am for his co-operation in giving to the people of my constituency an adequate railway service.

I wish also to offer my thanks to all the ministers who have always helped me and supported me in one way or another.

Finally, Mr. Speaker, I want to thank you for your indulgence and for your kindness in listening to my rather long speech.

(Text):

Mr. H. G. Archibald (Skeena): Mr. Speaker, in my remarks this evening I do not intend to indulge in the popular pastime of baiting the Tories. History has taught us that attempts to revive and maintain the past have proved futile; and, when future generations read of such things, it is usually under such titles as "Gone with the wind". What interests me is the fact that the government shows obvious fear of the official opposition. They can see themselves transplanted from the seats of the mighty and put across the floor of the house in the forthcoming election. I can understand why. It is because they have not been able to produce anything that would differentiate them from a Tory. But even at that, they have not been able to show the qualifications of a real Conservative, inasmuch as they have not got what one might call that Victorian look. I would suggest to them that, if they want to make a real job of being a Tory, and obviously they have been attempting it, they make a serious study and become imbued with such a modern and up-to-date development as the battle of the Boyne.

Never having had the leisure time, nor the means, to be a traditionalist, I have come to the conclusion that to a large extent the speech from the throne is indeed a waste of time. It has been outdated. The real speech is now made a month or so prior to the session opening, and it is made by the Minister of Finance (Mr. Abbott) in New York. Last year he gave his beets-and-turnips address to a group of newspapermen, telling them how Canada could eat these vegetables instead of lettuce and so on. In other words, he outlined the austerity program. This year, prior to the opening of the session, he gave to the women's Canadian club of New York the general economic trend that the country intended to follow. It is becoming obvious to me that, before this Canadian parliament can make up its mind what direction it intends to follow along economic lines, it must get the O.K. of Wall street. That trend of following the advice of the Americans is bringing its rewards.

Sometimes the Minister of Finance reminds me of Bing Crosby in the "Road to Zanzibar". Bing was exploiting Bob Hope as Fearless Fraser in a sideshow, and when one of the events went haywire he wanted Bob to get

into a glass tank filled with live alligators. Bob became so nervous that he said he wished he was back on relief in Paducah, Indiana, where he would have a sense of security. Whether the people will realize security on relief is another story, but they are going back on relief at the present time, especially on the Pacific coast, whether they like it or not. There are 35,000 unemployed out there, and there may be far more than that who are not listed. That is the evidence of the policies that the government has been following.

I have listened to the Minister of Trade and Commerce (Mr. Howe) giving us a glowing picture up to the present. I have heard the same thing from the Minister of Agriculture (Mr. Gardiner). He is beautiful at the job. He skates right up to the present and then backs away from it, but he will not deal with the market situation and how we are to ship and export our huge surpluses of natural products in the near future.

Once again in this country we are facing piles of fish, piles of lumber, piles of apples, piles of wheat and cheese and a growing list of manufactured products, and the worker is unemployed. He has again produced too much. The government is suggesting that it has a public works program which will absorb the unemployed. Even if it went in for a full-scale program of public works it would not even scratch the problem. The great agrarian revolution on the land, such as on the prairies where everything is going into machine production, is throwing more thousands on the labour market each day. What we need is a public works program, along with full production, and the means to enjoy that full production.

Obviously the real fault at present is the government's policy of following the advice of the United States in demanding gold or United States dollars for all goods that are sold on the international markets. It so happens that the world is revolting against that form of economy, because that United States dollar charges its toll on every item of trade that is transacted. Countries the world over are now going in for managed economy and managed currencies. The currencies are based on production, with fixed prices as a basis to maintain their values. These currencies are developing the same value as if they were backed by gold. In the last eighteen months on the open market the pound sterling has increased in value from 30 to 40 per cent, because the productivity of the British has risen to such an extent that it is reflecting itself in the value of the pound sterling.

Further than that, the countries of Europe, such as Great Britain, are going in for what is now known as barter arrangements, long-term agreements on trade. They import as much as they export, or rather that is their objective. The more trading that takes place, the greater the standard of living of the people. By the very nature of our economy we must export more than we import; otherwise the economy as a whole does not make a profit. Whether we like it or not, if we want to increase our standard of living we will have to accept the barter system of trading. That is the fact that faces us today.

Some criticism has been expressed in the press—and I see it is beginning to grow—of the economy Great Britain has developed. It is expressed in an editorial appearing in today's issue of the *Globe and Mail*, the important part of which states:

> Britain may think it politically desirable to keep some trade connections with all European countries, including those behind the iron curtain. The idea of neat and tidy barter arrangements with them may also appeal to the socialist mind. But these precious bargains of Sir Stafford's are liable to cancellation at the whim of untrustworthy governments. They are placing in jeopardy the whole future development of British-Canadian trade, which is much more reliable and more valuable in both political and ecoonmic terms than the connections Sir Stafford is striving to build or retain. Obsessed with day-to-day socialist planning, he is jeopardizing the long-term interests of both countries.

Well, the government with which Sir Stafford Cripps is making these long-term arrangements might be unstable; but, believe you me, our economy on this continent is far more unstable than those governments.

I have another clipping from the *Globe and Mail* of March 1, headed Bill Collectors Find It Tougher To Get Their Man, and stating:

> If the volume of business coming the way of debt collection agencies is anything like an accurate barometer of economic conditions, then times are getting tough.
>
> The men who devote their working hours to going after debtors met in convention at the Royal York yesterday. They reported more business than in any year since 1938. But they also agreed they have to work considerably harder than was the case in the war years to extract the money from those who bought but omitted to pay.
>
> Collections haven't fallen to the level of the depression 30's, but these professional collectors agreed that money is tight, which is just another way of saying that the so-called average wage earner isn't piling up any bank reserves these days.

He certainly is not. He has had all his reserves taken by the inflationary period we have just been going through, and in which we still find ourselves. Now he faces a depression, completely broke. He faces a depression with only his hands and his brains to make his day-to-day living. Once again, if we allow this condition to develop, our

society will go back to that condition which brought about riots and upheavals.

That is the position the government faces. They dare not allow unemployment to increase to any degree, because the nations around us—New Zealand, Australia and Great Britain—are operating on a planned basis. The day is not far distant—it is already here—when we will have unemployment. In Great Britain they might be on rations, but they are working and they are receiving meals three times a day. In this country our workers on the Pacific coast are once again going back on rations because they produce too much. Surely that is a pitiful state of affairs.

That is what I have to say on the economic side of the picture. I believe the government would be well advised to begin thinking in terms of a general over-all trade policy which would be along the lines of barter. Granted, it would not solve our difficulties today or tomorrow, but the general tendency would be in the right direction, inasmuch as the rest of the world is also going in that direction. Now I would like to deal with the attitude of the government as expressed in terms of dealing with human beings in this country.

Last fall the weather conditions on the Pacific coast were rough; it was the worst year on that coast experienced in this generation. On the northerly part of the coast line we had what could be described as an accident. A storm came up and destroyed a lighthouse. I should like to go through the history of what happened after that lighthouse was destroyed. I read about it first in the Prince Rupert *Daily News* of November 8, under the heading, "Gale Blows Lighthouse Away", and the subheading, "Harrowing Experience for Family". Then it goes on to say that Mr. and Mrs. Wilkins of Egg island are safe in a hospital at Bella Bella.

Then, on November 13, the full story was printed in the *Daily News* and goes on to say this:

Window Smashing Wave Was Life Saving Signal

Mr. and Mrs. Robert Wilkins Reach City After Terrifying Experiences Following Lighthouse Destruction

Uncertain as to what the future holds and still shaken and unsettled after their arduous experiences following the destruction of their lighthouse home by a tidal wave which suddenly swept stormy Egg Island in the middle of Queen Charlotte Sound in the dark and early hours of the morning of November 3, Robert L. Wilkins, the lighthouse keeper, his pretty auburn-haired wife, Marie, their ten-year-old son, Dennis, and the latter's six-month-old cocker spaniel pup, Boots, reached Prince Rupert safely this morning with Captain Norman McKay aboard the lighthouse tender *Birnie*. A week ago today they were still huddled in a crude shelter on their lonely island lashed by gale winds, driving rains, hail, thunder and lightning, gradually being worn down by near starvation and exposure.

The article goes on to say that they were on that island completely exposed to the elements for four days, at the end of which time they were picked up by a passing fishing boat which took them down to the hospital at Bella Bella. This one experience alone is sufficient to show the necessity for a coast-guard on the British Columbia coast.

However, let us go on with the story. The family left the hospital at Bella Bella after the boys around the Namu cannery had taken up a collection to help them. They went up to Prince Rupert, and were on charity. The women's auxiliary of the Canadian Legion voted them $50, and the I.O.D.E. voted them a like sum, or even more. They were driven to going to the Red Cross to get shoes for their little boy, but were turned down on a technicality.

When I left home on December 27 the rumour was going around Prince Rupert that they had been asked to make out a list of the belongings they had lost, with the approximate value; then they were to cut that amount in half. That was the general rumour among the citizens of Prince Rupert, those who were interested in looking after the family.

During this same period of time the Minister of Transport (Mr. Chevrier), under whose jurisdiction this department comes, was over in Europe making speeches about the horrors of a communistic dictatorship as compared with the glories of democracy. I must say he left a profound impression upon the fishermen and loggers of the British Columbia coast—a most profound impression indeed. That is one sample of outright brutality and disregard of the individual—and an employee of the government at that. I believe action could still be taken to rectify the situation. I have never met these people; I do not know them. I just took the story as I read it in the press from day to day—and it does not make pleasant reading.

Then another case I should like to bring to the attention of the house has to do with the injustice in connection with the Premier miners. I asked the Minister of Labour (Mr. Mitchell) for an outline of the developments which took place in that mine. I should like to place on record the details as they were set out in the letter to me:

1. The strike vote took place on July 12, 1948.

2. The local union 694 of the united mine, mill and smelter workers advised the company that it would call a strike on Monday, July 19.

3. In the meantime the company closed the mine on July 16, three days prior to the threatened strike.

4. The claimant, a waitress, was employed at the mine and filed her claim on July 30.

5. The claimant was notified that she had been disqualified by the insurance officer on August 13 on the ground that she was directly interested in the outcome of the labour dispute which had caused the stoppage of work.

6. On August 23 the appeal of the claimant against the insurance officer's decision was heard by the Vancouver board of referees and the claimant was represented by three officials of the united mine, mill and smelter workers. The court set aside the insurance officer's decision and allowed the claim.

7. As the company had not been represented at the session and requested an opportunity of giving its version of the stoppage of work, the claim was referred back to the court of referees. On September 10 the court reaffirmed its decision to allow the claim, the claimant being represented by officials of the united mine, mill and smelter workers. The commission, exercising its right, appealed the decision of the court of referees to the umpire. The umpire heard the appeal on October 28 and rendered his decision on December 7, the following being the pertinent portion of the decision:

> My decision, therefore, is that the claimant lost her employment by reason of a stoppage of work due to a labour dispute at the Silbak Premier Mines Limited. As her conditions of work stood to be affected by the proposed collective bargaining agreement, she was directly interested in that dispute and was, therefore, rightly disqualified by the insurance officer in the first instance, under section 39(1) of the act.
>
> It has been suggested by the chief claims officer that I give some guidance as "to the way in which we are to decide whether or not the stoppage of work is deemed to be still existing" or if it can be assumed that at some date "there was a definite abandonment of the project for economic or other reason." As indicated by Mr. Dowd, at the hearing, other gold mines have closed or are in the process of closing in the province of British Columbia, due to economic conditions. It may, therefore, be found that the stoppage of work, within the meaning of the act, has ceased at the Silbak Premier Mines Limited and that the mine is closed permanently. This, however, is entirely a question of fact which should be determined by the insurance officer after having communicated with the interested parties and investigated the prevailing circumstances.
>
> The appeal is allowed.

The commission, not being in a position to obtain any information in regard to the possibilities of a general resumption of work or the permanent closing down of the mine, decided that the stoppage of work had ceased on December 7, date of the umpire's decision. Therefore they would get their unemployment insurance nine days later. I should like to point out that this matter came up before the board of referees twice and on both occasions the appeal was allowed. Then by arbitrary action it was thrown into the hands of an umpire. In the first place we had an example of arrogance on the part of the mine operators when they did not appear before the court of referees when it first sat. It showed that they were interested only in intimidating the workers.

The labour record of this boss is well known from 1919 on. He is anti-labour all the way through. He had an experience in Australia that taught him a sharp lesson. They would not stand for that kind of nonsense down there and he had to come back here where he would have the protection of rules such as this. This action has created bitterness in the mining camps of British Columbia and has worked against democracy and this government. It was an example of outright bowing to the will of the mining bosses of British Columbia. These are two samples of injustices that are bound to have an effect on the working of democracy.

Over and above that, there is the general policy of the government in granting refuge to former nazi sympathizers which action does not go down at all well with those who contributed in world war II. I should like to point out the difference between the treatment given to these nazis and to ordinary people, and I refer to a paragraph which appeared in the Montreal *Gazette* of February 26 in the column headed On and Off the Record. It reads:

> Justice for all, privileges for none: While Ottawa allows de Bernonvilles and Seigneurs to remain in Canada, with records questionable to say the least, little time is being lost in moves to deport two merchant marine veterans, brothers from Belfast, Ireland, without a single black mark on their records. Gordon and William West have been in immigration detention quarters for the past three weeks awaiting a ship for Manchester, where they stowed away last fall. They worked for a while in a hotel, and earned a good record. Then they sought to have their entry legalized, to bring in their families. Instead, their deportation was ordered. They have little money, and cannot fight deportation, as can others. A Liberal lawyer is working on their case, but it looks as though they would be deported without benefit of order in council.

I remember listening last session to the hon. member for Cape Breton South (Mr. Gillis) when he stated that it was necessary to have a good bank roll before you dared show yourself in a court room if you wanted to get justice. To a large extent this clipping outlining this little human tragedy backs up that position quite clearly.

If modern government hopes to carry on and gain the support of the people it must be government of the people, for the people and by the people. It is certain that north Atlantic pacts, military pacts and so on, with-

out a staple social order that gives the people a guaranteed place in society, will not protect them in the struggles that lie ahead. I believe we are facing a social upheaval much like that which occurred during the Napoleonic wars. I remember once seeing the show Anthony Adverse, which started off with a scroll which read something like this: People born in times of social upheaval are unlucky. They can contemplate neither the past nor the future with equanimity. They are a race of lost souls.

If we can build real morale and develop a real society in this country that will stand out as an example, then we can progress and continue with the development of this country. But if we allow it to deteriorate, according to the examples I have cited tonight, then we are going to have to face inevitable trouble in the days ahead. In the past, nations have fallen because of dry rot from within. Let us see if we cannot develop a modern state that will give us a high standard of living and a high order of democracy.

On motion of Mr. Stephenson the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Tomorrow we will continue this debate.

Motion agreed to, and the house adjourned at 10.25 p.m.

END OF VOLUME I